An *Introduction* to Marx's 'Capital'

(in 3 volumes)

Volume 1

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Ranganayakamma

English translation:

K.V.R.
S.V. Rajyalakshmi
B.R. Bapuji

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Marx's 'Capital'
(in 3 volumes)

Volume 1

By Ranganayakamma

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A Note on Publication

Mr. M. Srihari Rao has provided funds for the publication of these three volumes. Mr. Srihari Rao is a general surgeon by profession and is currently working in America.

About fifteen years ago, he wrote me a letter stating that he has been reading my books, that he has been changing his views due to my books and that my books helped him understand Marxism. In his subsequent letters, he offered to extend 'financial help' whenever necessary. At that time I told him that I did not need any such help.

But later (in 1985), when I wanted to bring out simultaneously all volumes of my Telugu introduction to Marx's 'Capital', I faced the problem of money. (I brought out volume 1 of my Telugu 'Introduction to 'Capital' in 1978.) At this juncture, I asked Srihari Rao for an 'interest-free loan'. But, he said the money he was giving was not a 'loan' and he would like to undertake the responsibility of printing costs. I agreed with him since he accepts this theory (Marxism) and he has the necessary financial resources to meet the expenditure. As it was not necessary to pay money back to him, we have decided to use the sales-amount to reprint the books. Taking only minimum expenses into account, we have fixed the price of the Telugu version. Thus, we were able to solve the problem of printing/reprinting of this Introduction. Otherwise, we would have to go in search of loans at the time of every reprint. (We brought out the 2nd print of volume 1 and the 1st print of volumes 2, 3 and 4 in 1987. Volume 5 appeared in 1993.)

In 1989, I thought of bringing out the English version of my Telugu Introduction to 'Capital' as I felt that the original 'Capital' (that is, its English version) is difficult to understand. When I discussed this idea with Srihari Rao, he had readily agreed to provide funds for the English version also.

It is not a 'great' thing if a person does something which he can do, for the theory that he likes. It amounts to merely discharging his duty and doing something which he likes to do. But in the present day society, where all duties and all likes cannot stand before 'money', it

is indeed a 'great' thing if a person spends some money for a good cause. Hence, I feel it is my duty to inform the readers about the contribution of Srihari Rao.

We are bringing out the five-volume Telugu work, as it is, in a three-volume English translation. We are fixing a very low price (much lower than the usual market rate) for these three volumes in order to make them economically accessible to the readers.

RANGANAYAKAMMA

Translator's Note

A note on this translation is necessary since the source language (Telugu) and the receptor language (English) are 'genetically' unrelated.

The differences in syntax (grammar) and semantics (vocabulary) of these two languages pose certain problems to the translators.

The grammatical features that posed problems were: articles, prepositions, auxiliaries, tense and aspect, voice, tag questions, conjunctions, word-order, sentence length and sentence types.

One specific feature of the original is that it does not contain even a single passive-voice sentence whereas the translation is not free from the passive voice. Another feature is that the original writer, while referring to the 'capitalist', used the non-honourific pronominal form 'vaaDu' (3rd person, masculine, singular). As this form is not available in English, we had to use a neutral and mild form 'he'. At some places, we have also used 'that fellow' or 'that guy'.

The problems faced in the sphere of vocabulary were: collocations, figurative expressions such as ironical expressions, idioms, metaphors, proverbs etc., appropriate use of adjectives and adverbs, units of measurements and weights, the numbers and numerals, proper names, flora and fauna, birds and animals, culture specific words and so on.

While the variety of language used in the Telugu original is 'modern colloquial standard', the variety used in the translation is a 'south-Indian sub-variety of Indian/South-Asian variety of English'. (After all there are many Englishes). This implies a syntactic and semantic substratum of the source language underlying this translation.

It was late Mr. **K.V.R** (K.V. Ramana Reddy), a retired Lecturer in Political Science, Jawahar Bharathi, Kavali, Andhra Pradesh, who prepared the 1st draft of the translation of parts 1 and 2 of this volume. KVR based his translation on the 3rd edition of volume 1 and the 1st edition of volume 2 of the Telugu original.

By the time we planned to finalise the translation, the 4th edition of volume 1 and the 2nd edition of volume 2 came out. Then Ms. **S.V.Rajyalakshmi,** a reader of Ranganayakamma's books, from Guntur, Andhra Pradesh, compared KVR's translation with the latest editions and made some modifications.

Later, the original writer felt the need to drastically revise the 4th edition of volume 1 and the 2nd edition of volume 2 so that we could use them both for the English translation and the forthcoming Telugu editions. Then I revised and redid the translation at many places as per the forthcoming Telugu edition.

Once I completed the final draft of the translation, I sought the help of Mr. **Probal Dasgupta,** Professor at the Centre for Applied Linguistics and Translation Studies, University of Hyderabad, for overall language corrections (in grammar and vocabulary) without any reference to the source language text. Probal made useful corrections and suggestions to improve the translation. However I carried out those corrections and suggestions after discussing them with the original writer.

Despite useful corrections and suggestions, the present translation may still have shortcomings either due to oversight or personal choice with regard to the suggestions made. Hence, I am responsible for the shortcomings that may still remain.

B.R.Bapuji

PREFACE

On Marx's 'Capital'

Karl Marx's 'Capital' is a work that discusses scientifically not only economic and political issues but also the entire process of development of human society.

'Capital' consists of 4 volumes.

The title of the first volume is 'Process of Production of Capital'. This contains 8 parts and a total of 21 chapters.

The title of the second volume is 'Process of Circulation of Capital'. This contains 3 parts. The total number of chapters is 21.

The title of the third volume is 'Process of capitalist production as a whole'. This contains 7 parts. The total number of chapters is 52.

The fourth volume is in the form of three separate volumes, each one of which is called a 'part'. The common title of all the three parts is 'Theories of Surplus Value'. All the three parts contain a total of 24 chapters. Each one of these 3 parts has an 'Addendum'.

All these, as a whole, constitute 'Capital'.

All the four volumes have 'Capital' as the main heading and 'A Critique of Political Economy' as subheading.

Marx finished writing the first volume of 'Capital' on August 16, 1867 at 2'o clock in the night. The printing work of 'Capital' was over the next month on September 14. The emergence of 'Capital' is the most wonderful event in the history of the society. It is different from the events that occurred during the past millions of years since a light called 'Capital' showed very clearly the path of eternal emancipation of humankind from the chains of slavery, from the inhumanism called 'exploitation'; from the ugly class distinctions; from the most cruel wars; from the crises; from the sorrow and tears of many ages; from the violence of animal nature and from ignorance.

We often hear the expressions 'Exploitation!', 'Exploitation!' These expressions turn into a mere stereotyped song since their real meaning does not reach either the listeners or the speakers. What does exploitation mean? What do class distinctions mean? Why do they emerge? Do class

distinctions really exist? Why do all workers exist as one class and why do the capitalists exist as one class? Won't there be good capitalists? Do the good capitalists also exploit? Why is it so that, while one class is becoming rich day after day, another class is getting pauperised? What is the meaning of the slogan 'Workers of the world, unite'! Why should workers of the world unite? What is the relation that exists between all the workers of the world? What is the characteristic that unites all the workers of the world?

What does 'money' mean? What is 'poverty'? What are 'riches'? What is the cause for the hunger of human beings, who are born in nature and who did whatever they have to do with their limbs and produced many substances? Is hunger a natural phenomenon? Is it a natural truth? Then why doesn't that truth apply to every human being?

Who is a 'master'? Who is a 'labourer'? Why does one human being become a master and another a labourer? To all such innumerable questions and 'groping in the darkness' by the human society with thirst for knowledge since thousands of years, the only answer is 'Capital!'

There won't be any knowledge for human beings greater than the knowledge about the 'human society'. The only scientific work that gives such knowledge is 'Capital'.

German philosophy, English economics and French socialist theory are the most important of all the scientific wealth that the human society created. 'Marx's theory' is the result of elimination of unscientific and idealistic aspects of those three forms of knowledge and reestablishing them on a wholly scientific foundation. 'Capital' is a critical examination of the capitalist economic system of England that Marx conducted with his theoretical knowledge.

In one of the 'forewords', Marx said that he took England as the 'chief illustration' since his aim in writing 'Capital' has been to examine the Capitalist Mode of Production (CMP) and England is the 'classic ground' for such an economic system.

In the course of the analysis the of capitalist economic system, 'Capital' revealed the laws of motion of human society, class contradictions, the secret of exploitation and the new form of society that is opposed to exploitation. Until the arrival of 'Capital', the Political Economy of that time (Capitalist Economics) was ignorant of the most important issues. Particularly, it did not know what 'value' is? Hence, it

did not understand what 'money' is. 'Capital' proposed its scientific theories in such a way that it set aside all the principles of capitalist economics.

20 years before writing 'Capital', Marx wrote a critique of old economics under the title "A Contribution to the Critique of Political Economy'. The capitalist class tried to kill it with its silence pretending that it was not aware of such a critique. Though it succeeded to some extent in the case of that critique, its old tactic did not work in the case of 'Capital'. 'Capital' fell on the capitalist class like the midday sun showering fire. With its arrival, a new epoch had begun in the history of human society! Marx, who understood that the 'entire human history is the history of class struggles', provided 'Capital' as a theoretical weapon in the hands of the working class in its struggle against the capitalist class and for the permanent elimination of class distinctions. The working class received it with care, interest and sense of gratitude.

We have a notion that Economics contains much Mathematics and except people with knowledge of Mathematics others cannot read it. This is a wrong notion. Economic science is not mathematical science. Economics is the science that studies the system of production and the system of distribution in society. There need not be big sums in it. The major sum of all the sums in 'Capital' is calculating 'percentage'. All the other sums are minor additions, subtractions, multiplication and divisions. To those who know about divisions, it is needless to explain how simple it is to divide. Those who do not know those sums can learn them in half an hour. Therefore, before reading 'Capital', we have to totally give up such mistaken conceptions as 'there would be very big sums in 'Capital''.

All that is there is not sums, but 'logic'. As logical as sums. That is, rational discussion. We may call this 'logic', 'discussion', 'critique', 'examination' or 'analysis'. We may use any other similar term. We don't need big degrees and scholarship to read this book. There is no loss if we have all those, but there is also no loss if we don't have them either.

The person who reads this work must necessarily have one feature. That feature is 'thinking'. In the case of many books, readers do not require thinking. They can remove their head, suspend it somewhere, lie down in a relaxed manner and read the book. But, it doesn't work here. Here, we need logic at every step. The writer cannot apply logic without the participation of the readers. The writer cannot teach anything to the readers who don't think. While the writer discharges his duty, readers

should discharge their duty.

In 'Capital', Marx analyses the 'Capitalist Mode of Production' and its system of distribution.

In the course of his analysis, he briefly mentions slavery and the feudal mode of production of the European countries. Further, he indicates a 'new form of society' that is totally different from these three kinds of society. This is the whole main theme of 'Capital'.

'Economics' was there even before Marx. There was also 'philosophy' that explains nature and society in various ways. There were communistic conceptions that dreamt of a life when all the human beings would live as equals. But all of them were filled with various kinds of mistakes, shortcomings and contradictions. Marx examines all of them rationally. He acquires the knowledge necessary to examine them like that, from the contradictions found in those conceptions.

In his investigation, Marx was able to discover an 'ugly bacteria' called 'exploitation'. As a result, the entire secret of riches and poverty revealed itself. The source of all social maladies became crystal clear. This is entirely a new type of knowledge for society. This is something that society did not grasp for thousands of years. Society received this knowledge only through Marx's study.

Marx did not stop going further after understanding 'exploitation'. He had also indicated the path that can eliminate exploitation. That path is also part of that knowledge. Understanding exploitation and understanding the path of its elimination are not two different things. The two are the same. Grasping the former is grasping the latter as well.

'Marxism' is the theory that Marx gave us to understand exploitation and to build a new society that eliminates exploitation. Marxism is a theory of examining society.

People who talk about 'Marxism' are of two kinds: those who accept it and those who oppose it. Among its opponents, there are people who oppose it without knowing it properly and those who oppose it consciously. Even among those who accept it, there are people who accept it knowingly and those who accept it without knowing it. Thus, its supporters and opponents are of various kinds.

Accepting Marxism after knowing it and opposing Marxism after

knowing it are very natural responses to that theory. This is inevitable. But the two responses, namely, accepting it without knowing it and opposing it without knowing it will harm the theory. Opposition without knowing is identical with acceptance without knowing. What is needed is not the simple acceptance of a theory by a person, but acceptance with 'conscious knowledge'.

Since the beginning there have been various negative conceptions against Marxism throughout the world, namely, that it is a theory which gives importance to money, which glorifies 'violence' and which deprives freedom and so on. In the subsequent periods, there are also such opinions, namely, that Marxism is an outdated theory and it is no longer relevant.

Is Marxism a theory that gives importance to money or that eliminates money? Is it a theory that deprives freedom or does it lead to freedom? Is Marxism outdated or are its opponent theories outdated? If we want answers to all these questions, we have to read 'Capital' that can 'elaborate Marxism'.

Bad propaganda against Marxism has not begun either yesterday or today. Or, it is not something that ends tomorrow or the other day. It will explore still further newer ways in future. For the present, it need not trouble itself to search for new ways. The old ways are still yielding good results.

Though nearly a hundred and fifty years have passed since the world came into contact with Marxism, it is very little known to the world in its real sense. It has not yet become a force in the human consciousness. The reason for this is that it has still remained as an 'unintelligible' theory for the world. A theory, however true it is and however real it may be, will not have an independent power to stand as a 'theory' unless millions of people understand it and assimilate it into their thoughts. That is why, even today, Marxism is repeatedly subjected to crude and bad propaganda and the same old type of accusations, unchanged. The people, whose consciousness would resist these accusations within moments, are still silent and disinterested. The consciousness of those people is still in the antiquated condition that lacks 'newness'. It has not reached their intellect as much as necessary.

The sequential order in which Marx discussed themes in 'Capital' is so appropriate that we don't know unless we understand them. In order to understand 'property right', we have to first know about 'Capital' and 'land'. In order to understand 'Capital', we should have the knowledge

of 'money'. In order to understand 'money', we should have already understood 'exchanges' and 'value'. To understand 'value', we should have understood 'articles' and 'commodities'. Which means, we have to begin our study with 'article' and 'commodity'. Use value, exchange value, emergence of money as value form, the impact of productive power on them...we have to approach these issues without any connection with the specific nature of mode of production. It is not possible to understand the different nature of different modes of production without understanding these issues. Hence, in 'Capital', the first chapter is 'Commodities and Money' which discusses all these issues.

If we compare 'Capital' as a whole with a human body, the first part 'Commodities and money' is like the 'head'. It contains so many important things. All the subsequent chapters proceed one after the other in an appropriate order.

But there are many kinds of mistaken opinions among those who like 'Capital', with regard to reading it. Some say that we have to first read the chapter on 'land rent' in third volume, some say we have to first read so and so chapter in the second volume, some say that we should not read the first part of the first volume, some say that even if we read it, we have to inevitably leave out the chapter on 'Commodity fetishism'; some say that we have to read some other books before reading 'Capital'. This is how people hold different views with regard to reading 'Capital'. All these views neglect the ideas of the writer of 'Capital'. If we have to first read some other chapter instead of what the writer first wrote, the writer himself would have said the same thing, isn't it? When the writer is saying that issues connected with 'form of value' in the very first part are decisive to the entire book, is there any meaning to say that we should begin from elsewhere without first reading that part? How can we understand rent, interest and profit without first knowing what 'money' is? Ignoring such foolish suggestions, it is the right thing to read 'Capital' in the same order in which Marx wrote it. To say that we have to first read 'land rent' or 'interest' or some other chapter amounts to not understanding at all the themes in 'Capital'.

***

Of the opinions concerning 'Capital', one strong opinion is that 'Capital' is unintelligible. This is a very 'justifiable' opinion because 'Capital' is not easily intelligible. There are certain issues in 'Capital' that we cannot understand even if we break our head. The reason appears

to be the fact that 'subject matter' is difficult. In fact, the situation whereby we are unable to understand should not exist in the case of material facts because material facts always exist in an order. They will have natural course and natural reasons. They don't proceed in a haphazard manner. They don't appear in one way to one person and in another way to another person. Thus, it may be hard to some extent to understand a material phenomenon but it is not at all impossible. Similarly, 'Capital' too should not be impossible to understand since it deals with an examination of material reality. It won't be impossible but somewhat hard to understand. The reason for this is that the contents of 'Capital' are related to 'social science'. It is a 'new science'. Its method of inquiry is also a 'logical method'. The writer could not spend as much time as needed to explain things easily. On the whole, whatever be the reason, when we first read it, the contents of 'Capital' will be difficult to understand.

'Capital' emerged as a 'social science' that gave us a correct outlook in economic, political and social matters. Its terminology, issues, formulations, everything is new to society! For example, society did not know the term 'abstract labour' earlier. Similarly, society did not know the term 'surplus value' earlier. Further, society did not know earlier with scientific explanation, hundreds of terms, their meanings and the fact that human history is progressing according to a law. True, it is difficult to understand at once and to make others understand at once so many new concepts, new terms, new meanings and the new science that drowns the human society in astonishment.

That **'Every beginning is difficult, holds in all sciences',** says Marx in his preface to first German edition of 'Capital'. This difficulty is not only for the learners but to teachers as well! In one of his letters (dated May 20, 1865), Marx writes to Engels thus, "...it is nevertheless not easy to explain to ignorant people all the economic questions, which compete with one another here." At another place, he says that he has to work hard to elaborate the essential aspects and their relations. Such examples are numerous. Marx had been trying to rewrite easily many things, which appeared to have written in a difficult style. Again and again he had been polishing whatever he wrote earlier.

In the case of a new science, as the time passes and as attempts to understand that science from many angles continue, it becomes possible to explain as well as understand more easily than before.

In his 'Afterword to the second German edition' of 'Capital-1',

Marx informs the reader about the method of inquiry that he adopted in 'Capital', as follows.

> "The latter (i.e., the method of inquiry) has to appropriate the material in detail, to analyse its different forms of development, to trace out their inner connexion. Only after this work is done, can the actual movement be adequately described. If this is done successfully, if the life of the subject-matter is ideally reflected as in a mirror, then it may appear as if we had before us a mere a priori construction."

Marx employed this method of inquiry in his writing.

No science is like a story that we read smoothly. A science can't be like a story, a 'ready-to-eat' banana, whose skin is removed and kept in our hands. Science is an ensemble of innumerable facts that are intertwined and mutually related. In order to learn a science, we have to first learn each individual aspect of it separately. Later, we have to learn it by combining all the aspects as a whole. While we combine the knowledge of all the aspects, individual aspects that we learn earlier adjust with one another. While they make such adjustments, necessary changes take place in the aspects that we learned earlier. The thing that we have to learn appears before us as a total knowledge at the end. It is not a characteristic of 'good' readers if they are; too eager to know the total knowledge that finally reveals, eager to know it at the very beginning when we have to still learn individual aspects. The readers of 'Capital', even if they want to learn anything to any extent that the writer intends to teach them, will fall, many a time, into a helpless condition in which they cannot understand whatever the writer wants to teach. When people have to walk across a pathless thick forest, they face indescribable hardship to walk in that thick forest on their feet, even if they have a leader, who shows them the path. That leader cannot do anything to take his followers along with him without any difficulty. Unless all people walk along that path and smoothen that path, which is full of difficulties, a leader alone cannot lay down the road by walking singly and only once

It appears that Marx focussed his entire attention mainly on the theoretical struggle that he wages against the capitalist economists. Hence, it appears to be a difficult thing to understand for those who do not have any acquaintance with economics.

After Marx prepared the 'manuscript', his friends used to see it and

give suggestions to make it 'still easier'. Even while reading the proofs that came from the press, he used to make things easier.

When Marx was alive, two German edition and one French edition of the first volume of 'Capital' came out. Its translation appeared in the Russian language. While Engels was alive, the third German edition and the first English edition appeared. Of these editions, no two editions are alike.

When 'Capital' appeared for the first time in German, there was an opinion that it was not easily intelligible. Hence, Marx made some modifications in the second edition. Later, he made some changes in the second edition as well and gave it for the French edition. When one Herman Lopotin talked to Marx in 1870 in order to translate 'Capital' into Russian, Marx told him that he wanted to rewrite the part 'Commodities and Money' to make it still easier. The Russian translator skipped the first part and began the translation from second part. But, Marx was not able to make the intended modifications. He only made some very minor modifications.

Based on Marx's written notes with regard to intended additions and simplifications, Engels made some modifications, when he prepared the third German edition, after Marx's death. The English translation came out following the third German edition. The summary of this whole thing is that even this English edition, which is a result of many changes and simplifications, is so difficult to understand that we have to break our head!

Only the first volume came out when Marx was alive. He prepared only the rough drafts of the remaining two volumes. On the one hand serious ill-health and on the other hand so much work that it would not come to an end even if it were done day and night! It is not something that can possibly be rewritten even more simply.

He had very limited time. He used to fear that he might die without completing the first volume. Had he spent time on writing certain issues simply, he would not have written what all he wanted to write.

It does not matter even if a scientist says something with any amount of difficulty. There would be ways to make it simple at a later point of time. Those who can work on that science can do that work of simplification later. The society would lose a lot if that science does not at all reach the society even in that difficult form. There won't be so

much loss due to the difficult nature of saying things.

Marx's method of inquiry that involves rational critique of every minor issue fascinates readers. Though we get 'angry' with Marx when some of his expressions are not clear, they appear to be very 'beautiful' and of a high standard after we understand it with some hard work. Every person who wants to learn Marxism should first read 'Capital' only, because we have to learn things beginning from 'ABC' from it only.

- There are 7 forewords to the first volume of 'Capital'.

- From Engels' foreword to the English edition of 1896:

  "...for some years past the theories advocated in this book have been constantly referred to, attacked and defended, interpreted and misinterpreted, in the periodical press and the current literature of both England and America."

  "...whole theory is the result of a lifelong study of the economic history and condition of England..."

- From Marx's preface to the first German edition of 1867:

  "The work, the first volume of which I now submit to the public, forms the continuation of my 'A Contribution to the Critique of Political Economy' published in 1859."

  "The substance of that earlier work is summarised in the first three chapters of this volume. This is done not merely for the sake of connexion and completeness. The presentation of the subject-matter is improved. As far as circumstances in any way permit, many points only hinted at in the earlier book are here worked out more fully, while, conversely, points worked out fully there are only touched upon in this volume."

  "...the magnitude of value, I have, as much as it was possible, popularised."

  "In this work I have to examine the capitalist mode of production, and the conditions of production and exchange corresponding to that mode. Upto the present time, their classic ground is England. That is the reason why England is used as the chief illustration in

the development of my theoretical ideas."

"Every beginning is difficult, this holds in all sciences. To understand the first chapter, especially the section that contains the analysis of commodities, will, therefore, present the greatest difficulty."

"With the exception of the section on value-form, therefore, this volume cannot stand accused on the score of difficulty. I presuppose, of course, a reader who is willing to learn something new and therefore to think for himself."

"Every opinion based on scientific criticism I welcome. As to the prejudices of so-called public opinion, to which I have never made concessions..."

- From Marx's Afterword to the second German edition of 1873:

"I must start by informing the readers of the first edition about the alterations made in the second edition."

"...he (Kugelmann) convinced me that most readers needed a supplementary, more didactic explanation of the form of value."

"The measure of value has been carefully revised, because in the first edition this section had been treated negligently,..."

"The Fetishism of Commodities, etc., has largely been altered."

"The appreciation which 'Das Kapital' rapidly gained in wide circles of the German working-class is the best reward of my labours."

"The learned and unlearned spokesmen of the German bourgeoisie tried at first to kill 'Das Kapital' by silence, as they had managed to do with my earlier writings. As soon as they found that these tactics no longer fitted it with conditions of the time, they wrote, under the pretence of criticising my book,..."

"That the method employed in 'Das Kapital' has been little understood, is shown by the various conceptions, contradictory one to another that have been formed of it."

- From Marx's preface to the French edition of 1872 :

"...idea of publishing the translation of 'Das Kapital' as a serial. In this form the book will be more accessible to the working class, a consideration which to me outweighs everything else."

"...the method of analysis which I have employed, and which had not previously been applied to economic subjects, makes the reading of the first chapters arduous, and it is to be feared that the French public, always impatient to come to a conclusion, eager to know the connexion between general principles and the immediate questions that have aroused their passion, may be disheartened because they will be unable to move on at once. That is the disadvantage I am powerless to overcome, unless it be by forewarning and forearming those readers who zealously seek the truth. There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits."

- Engels' preface to the third German edition of 1883 :

"It was Marx's original intention to rewrite a great part of the text of volume 1, to formulate many theoretical points more exactly, insert new ones and bring historical statistical materials up to date. But his ailing condition and the urgent need to do the final editing of volume II induced him to give up this scheme."

Marx in his letter (Dt.30-4-1867) to his friend Sigfred Meyer: "Well, why didn't I answer you? Because I was constantly hovering at the edge of the grave. Hence I had to make use of **every** moment when I was able to work to complete my book, to which I have sacrificed health, happiness, and family....I should have really regarded myself as **impractical** if I had pegged out without completely finishing my book, at least in manuscript." (Selected Correspondence)

While printing the translation of 'Capital' in Russian, a Tsarist censor officer commented on whether the government should permit the publication or not, thus: "Few people in Russia would read, let alone understand." (Karl Marx: A Biography, Moscow edition 1973, p.372)

- Paul Lafargue, writing reminiscence of Marx:

" He was working on the first book of **Capital,** which was not published until two years later, in 1867. He feared he would not be able to finish his work and was therefore glad of visits from young people. "I must train men to continue communist propaganda after me" he used to say...Marx begins by stating the plain fact that the wealth of a society dominated by the capitalist mode of production presents itself as an enormous accumulation of commodities; the commodity, which is a concrete object, not a mathematical abstraction, is therefore the element, the cell, of capitalist wealth. Marx now seizes on the commodity, turns it over and over and inside out, and pries out of it one secret after another that official economists were not in the least aware of, although those secrets are more numerous and profound than all the mysteries of the Catholic religion. Having examined the commodity in all its aspects, Marx considers it in its relations to its fellow commodity, in exchange. Then he goes on to its production and the historic prerequisites for its production. He considers the forms which commodities assume and shows how they pass from one to another, how one form is necessarily engendered by the other. He expounds the logical course of development of phenomena with such perfect art that one could think he had imagined it. And yet it is a product of reality, a reproduction of the actual dialectics of the commodity. (P.28 and 38)

- Wilhelm Liebknecht, writing on the 'style' of Marx:

" 'The style is the man' is true of anybody, it is of Marx...Marx's style is indeed Marx himself. He has been reproached with trying to squeeze as much content as possible into the minimum space, but that is precisely Marx...The style of 'Capital' is admittedly difficult to understand, but then, is the subject treated easy to understand? Style is not only the man, it is also the material, it must be adapted to the material. There is no royal road to science, each one must strain himself and climb, even if he has the best of leaders. To complain of the difficult, abstruse or even heavy style of 'Capital' is only to admit one's own mental laziness or inability to think." (...Contemporaries, p.72&73)

Marx, it is said, used to fondly cite Hegel's words thus, "Even the criminal thought of malefactors has more grandeur and nobility than the wonders of the heavens." (...Contemporaries, p.35)

He meant that, instead of not having a 'thought', it is good to have

a thought however 'wicked' it may be. It means that there is so much 'grandeur and nobility' in the act of thinking.

On Marx's Life

Marx's biography briefly. Born on May 5, 1818 in Trier (Germany). Studied history, philosophy and law at Berlin university. He did his Ph.D., on the Greek philosopher 'Epicurus'. By the time he completed his studies in 1841, he was a Hegelian idealist. He went to Bonn University to work as a professor, but changed his opinion about doing a job in that university after witnessing reactionary activities there.

After 1841, Marx became a materialist under the influence of Ludwig Feuerbach, a materialist.

In 1842, Marx worked as an editor of a leftist newspaper. Its revolutionary trend became intensified under the editorship of Marx. The Government imposed strict rules on it. As a mark of protest, Marx resigned from the editorship of that newspaper. Yet, the government banned that paper. While working for that paper, Marx realised that he did not have adequate acquaintance with 'economics' and hence began to read economics.

In 1843, 'love marriage' of Jenny and Marx.

Then, Marx went to Paris (France) along with a Hegelian named 'Ruge' with an intention to run a leftist paper from abroad and started the paper. As it was not possible to distribute that paper secretly in Germany and due to differences of opinion with Ruge, that paper ceased to exist.

In September 1844, Engels came to Paris and for the first time he met Marx. Engels too was a person who arrived at materialism via Hegelian idealism. The ideas of Marx and Engels converged at many points. The intensity of their ideas too was similar. The two who thus became friends remained as life-long friends, revolutionary writers and leaders of working class movement. Both of them participated very actively in the movements of revolutionary groups in Paris. Fighting against socialist theories based on wrong understanding, they prepared the theory and programme for revolutionary working class socialism (Marxism).

The German government had asked the French government to exile Marx, who was a 'dangerous' revolutionary. In 1845, the French government exiled Marx from the country. Marx left for Brussels, a city

in Belgium, a neighbouring country of France. Engels too arrived there. There they founded an organisation the called the 'Communist Correspondence Committee' and began to correspond with the socialists of other countries. At that time, in England and France, there was already an organisation called the 'League of Justice' comprising of members who held unscientific socialist ideas. Gradually, many utopian socialists were attracted toward scientific socialism. In 1847, old socialist organisations became united under the name 'Communist League'. Scientific socialism was the guiding principle of this new organisation. The proletarian outlook was its perspective. This organisation entrusted Marx and Engels with the responsibility of drafting the 'Manifesto of the communist Party'.

The Manifesto came out in February 1848. It made materialism comprehensive and declared unreserved materialism (dialectical materialism). The manifesto expressed 'historical materialism' which applied materialism to the social life as well. It described the New World Outlook.

In 1848, people organised revolts against the Bourgeois monarchy in France and Feudal monarchy of Germany and accomplished temporary successes. In that context, the Belgian government expelled Marx from the country. The Republican government of France that succeeded temporarily invited Marx to France. Marx first went to France and then to Germany and there he published a paper for some months in support of people's struggles.

After the defeat of the Revolution against the German feudal monarchy, the German government expelled Marx from Germany. Then Marx went to France. Even there, the provisional revolutionary government met with defeat and hence the French government expelled Marx from France. Marx went to London. Since then, he lived there throughout the rest of his life. While studying economics, Marx wrote 'A Contribution to the Critique of Political Economy' in 1859 and continued his efforts on 'Capital' until the last.

In 1864, Marx played an important role in founding 'International Workingmen's Association' (the First International). It helped to develop working class movements in all the countries. Marx lost his health fully in the midst of writing 'Capital' and activities of the International. He died at the age of 64 years on 14 March 1883.

"On the 14th of March, at a quarter to three in the afternoon, the

greatest living thinker ceased to think. He had been left alone for scarcely two minutes, and when we came back we found him in his armchair, peacefully gone to sleep—but for ever. An immeasurable loss has been sustained both by the militant proletariat of Europe and America, and by historical science, in the death of this man. And he died beloved, revered and mourned by millions of revolutionary fellow workers—from the mines of Siberia to California, in all parts of Europe and America—" (Engels in '...Contemporaries', p.7-9)

"Marx was firmly convinced that the working masses would sooner or later understand him and draw from his teachings the strength to overthrow bourgeois society and work with clear consciousness to build a new society." (Friedrich Lessner in '...Contemporaries', p.144)

'Capital' became the manual of socialists in all countries. All socialist and working-class papers spread its scientific theories. During a big strike which broke out in New York, extracts from 'Capital' were published in the form of leaflets to inspire the workers to endurance and show them how justified their claims were.' (Paul Lafargue in '...Contemporaries', p.48-9)

"What Marx, the man of science and the defender of the working class, achieved does not need to be engraved on tables of bronze or celebrated in words of fire. No monument of metal or stone proclaims it, but the countless multitudes of the proletariat in all countries and all parts of the world feel it and know it, and prove it by the growth of their fighting ranks under the immortal slogan given to them by Marx: 'Proletarians of all countries, unite!'

Reading 'Capital' does not mean reading to pass time or in a half-baked manner. The working class people should read it with a sense of responsibility to know the path of their liberation. The main means to know Marxism is simply to read 'Capital'.

On this 'Introduction' to 'Capital':

This is not a 'translation'; this is an 'introduction'.

'Translation' means 'transfer of sentences of one language into another'. The person who translates should not at all take liberty in this act. The translator has to reproduce the original text in its original sequence. The translator should not at any place change even a single sentence or a word. If there are ten words in the original sentence, all

those ten words have to be present in the translated sentence as well. The translator should not at all change the original style in translation.

But an 'introduction' need not follow all these rules. After reading the original and understanding it, we can tell in our own words with some amount of freedom the essence of the original. At some places, wherever necessary, we can elaborate it further. At some places, we can abridge it to a large extent. We may alter sentences and paragraphs somewhat this way or that way. The whole objective of this is to introduce to the readers the essence of the original as briefly as possible.

Our 'introduction' to 'Capital' too has followed the latter method (of an introduction). This is not an exact translation.

Myself and Gandhi (his original name is B.R. Bapuji) began reading the English translation of Marx's 'Capital' in 1975.

While reading the English version, we translated many parts of it into Telugu in a literal fashion. (An exact Telugu translation of the first and second volumes of the English version of 'Capital', brought out by Vishalandhra Publishing House, Hyderabad, is available now. But, no such translation was available at that time and hence we started to translate it.) Our original intention in 'translating' it was not to publish it. We did it so that I could read it easily in Telugu again and again. We did that translation in such a way that it was enough if we understood it. Here and there, we left out some portions, which we thought to be repetitive. Our translation spread over about 70 note-books of 200 pages each, written on one side only. It took about 7 or 8 years to do this work, with many interruptions. (During these intermittent periods, I was engaged in writing other books.)

I read repeatedly the whole of our translation of 'Capital' from the beginning to the end. Even today, whenever we have the need, we are reading both the translation and the English version again and again. Some parts were very clear when I first read them. Some parts were not at all intelligible when I first read them.

I started writing the introduction to the first part 'Commodities and Money' long before we completed the entire translation work.

This introduction to 'Capital' originally cameout in 5 volumes between 1978 and 1993. However, we are bringingout those 5 volumes as they are in 3 volumes in English. (We are bringing out the first two volumes of the Telugu version as the first volume in English; the third

and fourth volumes of Telugu as the second volume in English; and the fifth (the last) volume of Telugu as the third (the last) volume in English.)

In this 'introduction', I have tried to follow the same line of argumentation and logical sequence which Marx originally pursued in his exposition of things.

The original 'Capital' begins with such categories as 'Use value' and 'Exchange value' and finally concludes with 'Classes'. This is wholly a correct sequence. Hence, I followed the same order in my 'introduction' also. Though there are some variations, I made them in order to explain things easily.

Before I began writing this 'introduction' and when I asked myself thus, 'for whom am I writing this', I had in mind people with little education as well as no education. I thought this kind of introduction is necessary for such workers.

My intention is that, when women or men, elders or students begin to read this book, they should be able to understand it easily.

Similarly when a literate person reads it to a group of workers, they should be able to understand the contents of this book easily.

Marx's friends who read the manuscript of the first volume of 'Capital' before it went to the press, and also those who read it after its publication, suggested to Marx many a time to write it again and again so that ordinary readers could understand. Marx, in fact, rewrote many chapters as per the suggestions of his friends. Yet, he could not make it as much easier as necessary; that is a different matter.

Right from the beginning, my intention has been that I should prepare this 'introduction' in such a way that the reader can understand this on his/her own without going to a teacher or a better educated person in order to understand this.

Things have not become clear to me until and unless I read the original 'Capital' many a time, until I rewrote the 'introduction' many times and until I put in a lot of efforts for many years. When such is my experience, what would be the use of this 'introduction' to the labourers if I prepare this like a replica of the original? If people can't understand whatever portions they read, who would read it with interest? Hence, I thought I should make my 'introduction' as easy as possible.

This 'introduction' is meant for workers with less education just as

'children's literature' is meant for children. After concluding thus, I tried to prepare this 'introduction' at that level.

If any 'intellectual', after reading this, feels thus, 'this appears to have written for readers, who do not know anything', it is a matter of much joy to me! Yes, it is exactly my attempt! This book is for the sake of readers who do not know anything! Not meant for 'intellectuals'. They can read Marx's original! They need not meddle with this!

But, in fact, in the case of learning a new science, intellectuals however they may be, they are first identical with ordinary readers. However elders they may be, they are identical with children. If new things that are to be learnt are easily written, it will be convenient and not a loss to the intellectuals. It is not an insult to them. We can learn anything that is easily understandable in short time and with less effort. For those whom it does not interest, the original text is available, anyway!

This 'introduction', I hope, will not trouble the readers as the original text does. Yet, it has its own difficulties since it deals with a science. Readers have to bear that difficulty patiently.

General Introduction:
Nature and Society

Human beings have to acquire 'knowledge' concerning 2 aspects.

1) Knowledge concerning 'nature'

2) Knowledge concerning 'society'

Concerning nature, we have to learn this: is there a 'creator' of this 'nature'? That is, is there somebody called 'God' or not? What is this 'nature'? If it is the case that there is 'God', we learn that this is so. We learn such matters as: how 'God' created this whole nature and how he has been effecting changes in it. Or if it is the case that God does not exist, we learn that that is so. We learn such matters as: how 'nature' had come into existence without anyone creating it and how changes are taking

place in it. In order to know the truth concerning 'nature', the main question is whether it has a creator or not.

Concerning human society, we have to learn this: Why are all men not 'equal' and 'in the same condition'? That is, why, among humans, are some 'rich' and some poor'? Why are some 'Masters' and some "servants"? Why are humans inequal? To know the truth and untruth concerning society, the main question is 'Why are there disparities of rich and poor?

Whatever may be the case concerning 'nature' and 'society', we have to know precisely that truth. One should live in accordance with that truth alone. Knowing what is true itself is 'knowledge'. What is not true is an object of 'ignorance'. If people assume something 'untrue' as 'true', it means that they are in ignorance. 'Ignorance' gives rise to several problems for humans. 'Knowledge' resolves problems. 'Knowledge based on truth' is necessary for people to pave the path of their life with happiness and peace.

Every person (either man or woman) who is born and grown up in human society forms some notion of 'nature' and 'society' by the time he/she reaches a certain age. There is no one without any notion.

If we take people of any region in the world today, a vast majority of them think that "there is God" in relation to 'nature'. They believe that 'God created nature' and all the changes in nature happen in tune with God's own wishes.

Likewise, a great many of the people think about the 'rich-poor' disparities among people, thus: "The rich have inherited their wealth from their ancestors or they acquired it by means of 'self-effort'. Only such people become 'rich'. Since they are rich, they happen to be 'masters'. Those who did not inherit wealth from their ancestors and those devoid of 'self-effort' become poor. The poor exist as 'servants'. Further, people become either rich or poor owing to their 'fortunes and misfortunes". Not only the rich think like this but the poor as well.

Whatever people assume, about a thing, does not become the truth of it. If people make assumptions, this does not give rise to a variety of truths. Truth is always one. The question is whether whatever people assume is true or not. 'Mere assumption' is no proof of truth. Truth can only be proved by rational logic based upon objective conditions and by investigation. No one can grasp any truth whatever, without such logical

investigation. Therefore, we have to always subject our knowledge to the touchstone called 'logic'.

To the question concerning nature, we offer ourselves only a brief answer. To the question whether there is a creator or not, the brief answer here is, "there are no such creators". 'Nature' is a 'material world' composed of numerous kinds of substances. Matter has neither a beginning nor an end or destruction. It only goes on evolving into different stages and changing forms. Matter has only material properties but not any properties beyond matter. Hence, nature formed of matter has neither a beginning nor an end. It has always been there. It will always be there. No one created it.

'Nature' means 'something natural'. That is, something formed without human intervention. All properties of something natural are 'natural'. We can learn about the things concerning 'nature' by means of several natural sciences, namely, Physics, Astronomy, Botany, Zoology, Chemistry, Geology and the like. The essence of all those sciences is the same: 'that there is no God'. The 'role of God' is not present in any natural science.

If the existence of nature is impossible without somebody who creates (without a creator), then according to that principle, there needs to be 'another creator' for that 'creator'. 'Yet another creator' for creating that 'another creator'. Even if we go back to whatever extent and catch hold of any creator, that creator should also have yet another creator. We can never catch hold of the very first creator if we go in this way.

Or, shall we offer a different kind of answer to the question of creator? "Creator is 'Swayambhav' (a self-born or self-created entity). That is 'someone who can give birth to himself'. No one else needs to create him. Then nature' did not exist. Everything was 'vacuum'. In such a situation, the 'great miraculous creator' first created himself out of vacuum and then created the whole nature from the vacuum itself. Thus, the whole nature came into being because the creator created it. If it is not so, how can 'nature' come into being without someone who creates?" — How is this answer?

If we answer in this manner, there won't be any amount of 'rationality' in it. 'Reason' does not accord with things like: a being, who was nowhere in the beginning, creating himself, and all sorts of material substances emerging out of a 'vacuum'. That is, they are things whose occurrence is not possible. Those who assume: that the creator comes

into being without the need of another creator who creates him, and that, he creates all kinds of material objects from a vacuum: prevent themselves from facing the question, "how can nature come into existence without a creator?" If it were possible for a creator to come into being without someone who creates, "is it not possible for the nature to come into existence without a creator?" If the creator is self-born can't nature itself be 'self-born'? Then, nature can come into being without the creator, isn't it? Therefore, we won't get any satisfactory answer in the argument that "the creator was self-born and created nature out of vacuum'.

We can find a correct resolution of this problem only in such an answer as, "Nature is a material world. It is ever existing. There are not any creators who created it." But, if we are not satisfied with the answer, that "nature has always been there" and resort to the answer (to which we have been accustomed) that God created nature, shall we be satisfied with this answer? It is in no way possible. For the proposition that 'God exists' can in no way be proved. 'What exists' be able to subject itself to proof. At least some aspects have to be proved. Nothing about God lends itself to proof. But nature can be proved in a number of ways. The fact that 'Matter is indestructible' will be proved. The fact that 'Matter changes forms' only in the process of evolution can also be proved. If these thing are proved, we can grasp that 'Matter is ever-existing'; it is material in nature. The orderliness of nature, the process of its evolution and its material character are proved by Natural sciences.

With rationality based on factual conditions, namely, that God has never and in no way been proved and that the material character of 'nature' has been proved in a number of ways, we can arrive without any objection, at the answer that "There is not a creator for nature". This alone is the brief answer to the question "Is there a creator or not?"

The human being is also a part of nature and so all things concerning the human body come under the matters of nature. The bodily differences between men and women come under the matters of nature.

Rich-poor disparities, Master-Servant relationships and similarly Man-Woman inequality are not matters concerning 'nature'. Their causes and their solutions are not found in 'natural sciences'. They are concerned with the 'social life'. 'Social Science' is required to understand them. We are beginning to see in this book, 'Capital', the science that discusses the root cause of these social inequalities among human beings. This is a very long investigation.

* * *

Human beings, in order to live, require essentially certain substances and certain objects. They need foodstuffs, they need clothes, they need houses, they need medicines and they need still many other things. What they need essentially depends upon the kind of natural environment and the time in which they are living.

People living in cold regions and people living in hot regions do not have the same kind of needs in the matter of clothes. The clothing requirements are not the same again for people living in those cold regions a thousand years ago and the people of a later period.

Bows and arrows that were necessary in the ancient times are not necessary now. Instead, guns and pistols are necessary. The form of past things has changed. If, after some time, a time comes when guns themselves will not be required, the need for weapons disappears completely.

Pens and watches, which are necessities of life now, did not exist once in human society. The things which people do not know now might well become necessities of life in further future. Human needs go on increasing as society develops. While old needs change, new needs emerge. Certain needs disappear altogether.

'That human beings are alive' implies that they are making use of certain substances and certain things. An individual has either to make all the things he needs or else he has to take some of the things that others have made. Thus, human beings acquire 'necessaries of daily life' in two ways: by making for themselves and by using, for their needs, some of the things which others have made.

It is not possible for each person to make for himself all the things that he requires. There is no scope in nature for making every thing for oneself. People living in a forest cannot get sea-fish. People living on the seacoast cannot get wild roots and honey. Even those who live in the same region too, are not accustomed to doing the same kind of work. People who weave cloth do not make pots. People who make pots do not weave cloth. If the people who weave cloth require pots or if the people who make pots require cloth, the two have to exchange each other's things. One has to give certain things, which he makes, for the need of the others and take, for his own need, some of the things that the others produce.

Making things and exchanging them were not born when human beings were in the animal stage. Human beings spent thousands and lakhs

of years in the animal stage: ate like animals whatever was found in nature; gradually learnt to work with the help of their own limbs; began to make one after the other the essential tools with stones and wood; —thus evolving from the stage of animals to human beings, they gradually came to know how to make different kinds of things. Of the articles which they themselves made, they used some and gave some to others and in return procured the articles which others had produced—thus they began to satisfy their wants.

Exchange of things began in the course of the development of human society. It does not so happen that each individual himself makes what all he wants. One person exchanges things with another. One region exchanges with another region. One country exchanges with another country. These exchanges are taking place even today. The whole world is carrying on exchanges.

However, exchanges, nowadays, are not taking place by way of 'giving a thing and taking a thing'. We are taking things by giving money. We are getting the necessaries of daily life with money. What does it mean when we say 'exchanges are taking place even today'?

Whatever takes place by means of money is also exchange of articles. If we want answers to such questions as, "what is money? How did it originate? Why do we get things if we give money?" and if we want to understand as to how the present exchanges are taking place, we will have to understand right from the 'exchange' that takes place 'between two things'.

The method of exchange that takes place between two things is called the "barter system". Everything that is exchanged is called a "commodity". If a person makes a commodity and uses it for himself, it does not become a commodity. It also does not become a commodity if the thing is given free to someone. If one's own thing is given in return for another thing, the two things involved in that `exchange' become commodities.

Karl Marx's 'CAPITAL' begins with an examination of the attributes of the thing that has become a commodity.

It reveals 'mysteries' and 'secrets' of human relations.
It explains the features of human society: present, past and future.
Thus, we begin our attempt to learn the 'Social Science'.

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PART 1
Commodities and Money

Chapter 1

Two aspects of a Commodity

A commodity has two aspects

1. Use value
2. Exchange value.

1) Use value

The use value of a thing (an article, an object) is its utility to satisfy a particular human want.

Rice - is useful to eat as food.
Water - is useful to drink.
Blanket - is useful for covering for warmth.
Shoes - are useful for protecting the feet.
Chair - for sitting
Pen - for writing

Different things satisfy different needs.

This aspect of utility is the use value of a thing. All these things constitute different use values.

Some points concerning the Use Value:

(1) Use value is natural:

A use value of a thing is always inherent in the characteristics of that thing. Use value does not exist outside a thing, unrelated to it. If a mango has the property of being sweet, that attribute lies in the physical properties of that fruit, and not somewhere outside that fruit, unrelated to it. The use value of that fruit has nothing to do with such extraneous things as: who grew it, how many people laboured for its sake and for

what length of time and from which region it was brought to which region. The use value depends only upon the inherent characteristics that are formed naturally in the thing. The use value of a thing gets reduced and gets extinct when those attributes get spoilt or get reduced. A rotten fruit does not have any use value. The same is true with the worn-out shoes and tattered blanket. They have lost their use value because their physical properties are spoiled. The existence or non-existence of use values depends upon the physical properties of things themselves.

(2) We have to use a 'thing':

We have to make use of a thing in order to enjoy its use value. It is not possible to enjoy the use value of a thing by keeping the thing away and unrelated to the thing since it (the use value) does not exist apart from the thing.

(3) We may use a thing separately:

It is enough to wear shoes, for using them (for getting the 'use value' of the shoes). There is no such rule as: one should use another thing like an umbrella or a bag, along with the shoes. No such relation exists among the use values as: we can use the first thing only if we also use the second thing and the first thing will not be useful if there is no second thing. We can use any thing singly and separately. We can use a use value either separately or along with other things.

(4) Use value is not a proprietary right of a master:

It does not so happen that a thing is useful for one and not useful for another. A blanket is of the same use whoever uses it to cover oneself. A cot will be of the same use whoever lies on it. A pair of shoes will be of the same use whoever of the same age-group puts them on. A use- value will be of the same use whoever uses it.

(5) No use value is superior or inferior to another:

The use value of a blanket is not superior to the use value of shoes. Likewise, the use value of shoes is not superior to the use value of the blanket. Each has its own usefulness. It is not possible to compare one usefulness with another. A blanket does not do what the shoes do and shoes do not do what the blanket does. A jujube fruit is not greater than a jack-fruit. A seven-storied building is not superior to a small spoon. When a spoon is needed, it is of no use to have a seven-storied building instead of a spoon. The purpose that is served with a spoon cannot be

served with a building. When a small pin is needed to pin papers, even crores of other things, without a pin, cannot satisfy that need which a pin fulfils. When a pair of shoes is needed, the purpose is not served if there is a great book. It is of no use to have a glittering silk coat when a pencil is needed. Each need requires a thing that can alone serve it. Therefore, when seen as use-values, each has its own special properties.

(6) Use values vary even due to small differences :

Even when two things are identical in almost all features, their particularities differ because of very small differences in one or two aspects. There are two blankets with the same measurements, the same colour, the same thread and the same finish. But one blanket has a small border while the other does not have it. Then their particularities differ and hence their use values too differ. The need of those who do not like a blanket with a border is not satisfied by a blanket having a border. They want a borderless blanket. A borderless blanket serves as a use value for them. Similarly, those who do not like a borderless blanket want only a blanket with a border. Thus the use values of blankets differ on account of a small border. However, we need not take into consideration such very minor differences as these in order to make our examples simpler. Here, we can treat both the blanket with a border and the blanket without a border as identical use-values.

(7) Use-values are comparable:

If there is difference only in quantity (size) while there is no difference in use-value, we can compare the use values in terms of such questions as 'which is more and which is less'. In substances of identical quality there exists more use-value in substances with a large size than in those with less size. Which means that it gives more usefulness. If you take the same variety of rice the use-value of 2 kilos of rice is higher than the use-value of 1 kilo of rice. The use-value of 3 kilos of rice is still more. As the quantity of rice increases, the need of food for more people is satisfied or the need of food for one is satisfied more number of times. We can compare two pencils of the same kind if one is of 6 inches and another is of 7. The usefulness of the longer pencil is more than that of the smaller one. However, it does not mean that the usefulness of a big chair is more than that of a smaller one. The usefulness of big-size shoes is not more then that of small size shoes. A long shirt is not greater than a short one. It is because things like the chair, the shirt and the pair of shoes are meant simply for single individuals. However big they may

be, they cannot be used by more than one person. In the case of things such as these, use-value does not depend upon the size.

Only in the case of those articles which can be used by more than one person can we find such differences as 'more' and 'less' if the quantities are different within the same kind of articles.

These are the attributes concerning the use-value.

Discoveries have always been made in the history as to how—from among the millions of substances found in nature—a particular substance is useful in a particular way. As newer and newer uses of a substance are discovered and as newer and newer things are made accordingly, the use-values that are necessary in the daily life of human beings will keep multiplying.

2) Exchange value

'Exchange-value' is the second characteristic of a 'commodity'. Exchange-value is that which a commodity acquires by means of exchange. 'Value' is the abbreviation of 'exchange-value' (Whenever we come across the word 'value', we should take it to mean only 'exchange-value' and not 'use-value').

Some points concerning 'Exchange-Value':

(1) Two things must be there for 'Exchange':

Two things need not be there at the same time in the case of getting the 'use-value', isn't it? But in the case of realising the 'exchange-value', two things must be there at the same time. As 'exchange' means 'giving one thing and taking another' two things must be there for an 'exchange'.

(2) Exchange takes place only between different use-values:

Does giving one thing and taking another mean taking the same kind of thing as was given? Is it giving a pair of shoes and taking another pair of the same kind? Is it giving a blanket and taking another of the same kind? If both, what is given and what is taken, are of the same kind, why exchange at all? Exchange takes place only when another kind of thing than what is given is needed. Exchange never takes place between things of the same kind, i.e. between the use values of the same kind. If an exchange takes place, the two things involved will be of 2 kinds.

(3) The two things, in an exchange belong to different individuals:

The 2 things involved in an exchange do not belong to the same individual but belong to two different individuals. An individual does not effect an exchange between his own things. There is no need to do so. He can freely use whatever he wants - any of the things that he has. It is only when he needs a thing belonging to another person that he gives his own thing and gets another. Thus the two things involved in exchange belong to two different individuals. Only then does the exchange take place. These are some of the conditions necessary for an exchange.

Let us now see what 'exchange value' means.

Let us suppose that a carpenter made a 'chair' with wood and gave it to a weaver and in return brought a 'blanket'. Which means, an exchange took place here between a chair and a blanket. The individuals on either side have agreed to this exchange. The individual with the chair thinks thus: "my chair and this blanket are equal". He gives his chair and takes the blanket only because he thinks so. The man with the blanket also thinks similarly and hence he gives his blanket and takes the chair. None of these two has thought that he gave 'more' of a thing and took the 'less' of it. The two things are 'equal' in both their view. That is why none of the two had any objection to exchange them. It means that an exchange between two things implies those things are 'equal'. Their 'exchange' becomes possible only because of that. But the question here is: in what respect they are equal?

We have seen a while ago, that the 'exchange' never takes place between the same kind of things, and it takes place only between different kinds of things. What does it mean when we say that different kinds of things (different use-values) are equal? In what respect are they equal? If an exchange took place between a chair and a blanket in what respect are both those things equal? Are the weights of the chair and the blanket equal? Are the lengths of the chair and the blanket equal? Are the usefulness of chair and the usefulness of the blanket equal? What aspect of the chair's body is equal to what aspect of the blanket's body?

No such equality exists between them.

All the features of a chair are different from those of the blanket.

The measurement of the chair are different from those of the blanket.

The usefulness of the chair is different from that of the blanket.

Since the blanket and the chair are different use-values, there is no equality between them in any physical feature. Based on the equality of what aspects did the exchange take place between them? It is true that the exchange took place between the chair and the blanket, isn't it? When it was possible to give one thing and take another, it means that those things are equal in some respect, isn't it? What is that aspect? That is not related to the bodily (physical) properties of those things! That is something which exists outside their bodies. But, related only to those things! That is how, it can equalise those two! What is that extrinsic aspect that exists like that?

In our daily life, we see a number of substances and things: made of earth, wood, copper, brass, gold, cotton, wool, silk; prepared with rice, maize, wheat, milk, curds and ghee. Thus we see several kinds of things. Everyone might have seen an exchange between a handful of rice and a fistful of vegetable leaves; but none might have seen an exchange between an earthen pot and a gold-chain. Anyone with commonsense knows that the 'value' of an earthen pot is very low and that the 'value' of a gold-chain is very high.

It is this 'value' that we have been searching for all the while. Everyone knows that each commodity possesses a certain amount of 'value'. Also everyone knows that the values of certain commodities are high and those of certain other commodities are low. The 'value' of an earthen pot is very low and the 'value' of a gold chain is very high. That is why the person having a gold-chain does not agree to exchange it for an earthen pot. Exchange never takes place between the earthen pot and a golden chain as they are not equal in terms of 'value'.

We are examining in what respect the 2 things are equal when an exchange takes place between those 2 things; isn't it?

That aspect is 'exchange-value'. Exchange-value is the value related to the exchange.

The value based on which the 'exchange' takes place is the exchange value. Its short name is 'value'. If an 'exchange' took place between two things, it means that those two things are equal in terms of 'value'.

If 'exchange' took place between the chair and the blanket: it means that the chair has some value and the blanket too has some value and those two values are equal.

The person who gave the chair and took the blanket got back the same value which he has given away.

Similarly, the person with the blanket also got the same value that he has given away.

The person with the chair and the person with the blanket did not hesitate to exchange their things only because the value of the chair and the value of the blanket are equal. Which means exchanges take place only because of the equality of values.

What does 'Exchange Value' mean?
How does a commodity acquire it?

When a commodity acquires use-value, the reason for it is quite clear. The commodity acquires it because it serves one or the other of human needs on account of its physical properties.

But, how does the commodity acquire the exchange value without any relation to its physical properties? How is it formed? What exactly is meant by the exchange value?

In order to find out what the exchange value means and how is it formed, we have to see two commodities involved in a relationship of exchange.

In the examples which we saw earlier, an exchange took place between a chair and a blanket, isn't it? Where did those two things come from? Did one tree yield chairs and another blankets as trees yield brinjals and gourds? Or did they fall from the skies as rain-drops do from clouds? How did those two things come into the world? This is how they came: it was human beings who made them. Chairs and blankets do not come into the world unless they are made by human beings. All things are made by human beings. In others words, what human beings made are 'things'. Those are not things which are formed naturally with no relation to human beings. These are natural substances. Air is a natural matter. Rain water is a natural substance. Hills, dales and uncultivated lands are natural substances. Humans did not make them and therefore, they are not 'things'.

Then, how do human beings make things? Let us now see about the chair. If a chair is to be made, 'wood' is required first.

Suppose there is a 'forest' that grew naturally. It means that the trees in that forest grew by themselves without any labour performed,

for their sake, by any human beings. Suppose a person by name Venkayya went into such a forest, felled a tree, cut off all its branches and made it into planks of wood. In the place of a tree, there are now planks of wood. Venkayya made these wooden planks. Venkayya made them by spending his labour on the forest tree that existed naturally. All these planks of wood are 'things'. They all belong to Venkayya. In other words, these planks are Venkayya's property. He can use them. Which means, Venkayya has become the owner of these planks. Venkayya was not the owner of the tree when all the planks were in the form of tree. Not only Venkayya but also no other person was the owner of that tree. For neither Venkayya nor any other person did anything for the tree to grow. That tree grew up without 'human labour' and therefore no one will have a 'justifiable right' to own it by saying "this tree is mine, I have reared it". However, Venkayya, who was not the owner of the tree, has become the owner of the planks of wood. He became the owner of the wooden planks justifiably since it was he who felled the trees and made planks of wood out of it.

Suppose another individual by name Ramayya also came into the forest along with Venkayya when Venkayya came into the forest. Suppose, Ramayya spent his time sitting and lying relaxedly under the tree while Venkayya was felling another tree. Can Ramayya take away the planks of wood as soon as Venkayya completes felling the tree and making planks of wood? No, it is not allowed to take away like that. They belong to Venkayya since it was he who had made them. If anyone else wants to take them, he should first give some other thing (another thing which has been made with the same amount of labour that was spent on those planks of wood) to that person who made them, i.e., Venkayya and only then one should take them. Which means, a certain 'value' should be paid for those planks of wood. Giving another thing is itself paying that 'value'. Giving another thing and taking the planks of wood means the occurrence of an exchange between the planks and an other thing.

In case, the second individual wants to take another tree in the forest instead of Venkayya's planks, he could take it without giving anything to anyone in return for it. Venkayya also did not give anything to anyone before he began felling that tree. It means that he did not 'exchange' that tree with anyone. Why? What is it that was not there in the case of the tree but was there in the case of the planks? — Human labour! And that is the difference between those two. As there were no owners in the case of the tree who spent their labour on it, it is not necessary

to give anything to anyone for that. If it were not a tree in the forest but in a garden, which someone grew it? Some amount of labour must have been spent on the 'garden-tree' and therefore, there must have been some owner of it. However, there would be no owner of the tree as we took the example of a forest-tree. Any one can freely use such a tree. However, it is not possible for others to use the planks made by a man as they use freely the tree grown in a forest. Anyone can freely use matter only when it exists in the form given by nature. That matter does not become a 'thing'.

The tree in the forest is not a thing. But the planks of wood are things. Nature gave the tree in the forest but it did not give planks.

'Forest' is not a thing. But 'garden' is a thing. Nature gave the forest but did not give the garden. Seen in these terms, even the animals that human beings domesticate are things. This appears to be strange. But there is nothing strange about it. We are viewing things not in terms of 'biology' but in terms of 'economics'. Viewed from biology's point of view, animals and trees are also living beings but not things. But from the point of view of economics, the consideration is not whether they possess life or not but whether they are made of human labour or not. 'Biology' explains matters of nature and 'economics' explains matters of society. These are entirely different angles. Even the substances that are not things according to Biology, might be things according to Economics.

(There should not be any owners of uncultivated lands and forests according to 'correct' economics. But we are seeing in our daily lives that even uncultivated lands and forests are someone's 'private property'. Moreover, we are also witnessing that even in the case of cultivated lands, people who toil do not have any right while those who do not perform any labour have a 'proprietary right'. We will gradually understand, as we proceed further, why all this is happening and what the fault is in this 'system of ownership'. We will have to see not only 'how a thing is' in our daily life but also 'why it is so?' Also we have to see whether the existence of that thing is proper or not. If it is found proper and rational, it can be accepted as it is for ever. But if it is found improper, we have to change it after knowing how it ought to be. We should not take anything that we see in our daily life as it is regarding it as proper and right. Certain aspects of it might be proper and certain others may not be so. That is why, whatever be the thing, we have to examine and know its 'good and bad' aspects.)

We are seeing examples that are necessary to understand how humans make things and what exchange-value is.

Just as humans have not made the 'tree in the forest', so also humans have not made the 'fish in the sea'. Nature gave them as they are. They have no owner. They are nobody's 'private property'. No person has a special right over them. Whoever is able to go into the sea can freely take them without paying any 'value' to anyone. Suppose a person went into the sea in a boat, caught fish with a net and brought them to the shore. The fish which ought to have been in the sea are now on the shore. Nature gave them as something that ought to be in the sea but not as something that ought to be on the shore. A person did that work. That is, he performed 'some labour'. Those fish are not 'things' while they are in the sea. They are 'things' while they are on the shore. Those things are produced because some labour has been spent on the fish in the sea. The fish belong to the person who performed that labour. He will be the owner of those fish. If he wants to use them, he need not pay anything to himself. If others want to take them they must give him some other thing, i.e. they must pay him the 'value' of the fish. What is the value of those fish? It is the labour that was performed in bringing the fish from the sea to the shore. Those fish can be taken if another thing that is made with an equivalent amount of labour is given.

How 'things' are produced, so far as the examples that we have seen are seen? Can we say "by human labour?". It cannot be a complete answer. A single element called 'labour' cannot produce things. There should also be 'substance' that the 'nature' gives.

In the example of planks, originally there existed a 'forest-tree'. It is a 'natural substance'. Humans performed 'labour' on it. They produced planks. If there were no 'forest tree'?

In the example of fish, there existed 'fish in the sea' originally. It is natural substance. Humans performed labour on it. Then 'fish on the shore' are ready. If there were no fish at all in the sea originally?

An 'article' results if humans perform labour on the 'nature-given substance'. If humans perform another labour on that article, yet another results. It is the same case with any article.

In the example of 'planks' if the tree was a 'garden-tree', the natural substance in that example is soil. The tree (a thing) grows if some human labour is performed on the soil. If some human labour is performed on

that tree (that thing), planks of wood (another thing) will be made. If some more labour is performed on the planks of wood (on that thing) a chair or a table (another thing) will be made.

It is the same case with 'blanket' also. If some labour is performed on the soil which is a natural matter, cotton (a thing) grows. If some more labour is performed on cotton (on that thing), yarn (another thing) is produced. If some more labour is performed on the yarn (on that thing), blanket (another thing) is made. This is true of any kind of thing.

This process may be seen thus:

Natural matter	+	Labour	=	Thing
Tree in the forest	+	Labour	=	Planks of wood
Thing	+	Labour	=	Another Thing
Planks of wood	+	Labour	=	Chair
Cotton	+	Labour	=	Yarn
Yarn	+	Labour	=	Cloth
Cloth	+	Labour	=	Shirt
Fish in the sea	+	Labour	=	Fish on the shore
Fish on the shore	+	Labour	=	Fish curry

In this way, human beings make things by performing labour, stage by stage, on natural substance. If a thing called chair has been made, it means that required number of labours have been performed by humans. It is the same case with blanket. It is the same case with anything.

Till now, we have seen what 'things' mean.

We have seen that "substance + labour = thing". We have also seen that things do not fall from the sky and humans alone produce them and humans exchange articles so produced.

An exchange between 2 things takes place only if the values of the articles both given and taken are equal.

Then, what does value mean? - Labour only.

Labour spent on an article is - value of an article.

An exchange takes place, only if values are equal. Therefore, if an 'exchange' is to be made between two things, we should know whether the labours spent on them are equal or not. Therefore, there should be a

means to measure the labours spent for the sake of things. What is the 'means' of measuring 'Labour'?

3) What is the 'means' to 'measure' labour?

There is a means even to measure 'labour'. That means is - 'time' alone.

If a person did some work, the means of measuring is 'how long' did that person perform that work? How many hours did he do? How many days did he do? How many weeks did he do? That is the means of measuring labour. Time is the means of measuring labour.

4) What is meant by 'total labour' spent on an article?

'Value' means labour-time. The value of an article is the 'total labour-time' that is necessary for the production of that article.

What is meant by 'Total Labour' spent on a thing?

Suppose Venkayya worked for a day (day-time 10 hours) to make planks of wood out of the tree in the forest. Does it mean that the labour-time for making those planks is one day (10 hours)? No. Merely the time that Venkayya had worked does not constitute the time that was necessary for making those planks. Venkayya must have used certain tools in that work. Nobody can do the work of felling the tree with bare hands. Suppose, Venkayya used an axe, a saw and a rope in his work. All those tools are articles that had already been made. All those articles were also made by labour only. Whether Venkayya made or someone else made those tools is immaterial here. The tools that Venkayya used in his work would have been consumed to some extent by the time he finished working. No work can be turned out without consuming tools. Consumption of tools implies the consumption of the labour itself that made them. Therefore, a certain amount of labour time related to tools also should be added to Venkayya's labour time. Though Venkayya used many tools in his work, to make our example easier, let us suppose that he used only an axe. It means that, besides Venkayya's labour, an axe also became necessary in the work of felling the tree and hence the labour pertaining to the axe should also be added to Venkayya's labour.

Let us see how the labour related to the axe would be. The axe is a thing. It was already there. It was made with 'a certain amount of total labour'. Let us suppose that it was made with a 'total of 2 days' labour' (with the labour of 20 hours). Let us suppose that it can be used to fell a

total of 20 trees in its life (during its life-time). It means that it will be of no further use by the time it felled 20 trees. It means that 1 axe is consumed in felling 20 trees (20 hours' of labour is spent). Therefore, 1 hour of labour is spent, pertaining to that axe, when 1 tree is felled with it. When '1 hour of labour' pertaining to the axe is added to 10 hours of Venkayya's labour it will be 11 hours' total labour. It means that a total of 11 hours of labour was necessary for making those planks. But it was not merely those 10 hours of Venkayya's labour that was necessary to make those planks.

There is a danger of falling into an error while understanding this aspect. It is as follows: "In this example, the axe also works as long as Venkayya works, isn't it? The time during which Venkayya worked is 10 hours and the time during which the axe worked is also 10 hours, thus total number of hours is 20, isn't it?" In this manner, some people may understand this labour time wrongly. But, the calculation of this labour time should not be like that. It is because, the 10 hours of time during which Venkayya worked constitutes the working time of Venkayya alone and not the working time of the axe. As the axe is a thing, it does not work itself. It simply serves as a tool in the hands of Venkayya and hence it does not mean that it is also working by itself like Venkayya. However, it implies that some labour relating to the axe is also consumed for that work since the axe too is worn and consumed in Venkayya's work. We have to understand carefully what we have seen earlier as to how to calculate the labour of the axe.

If Venkayya had used in his work not only an axe but also 2 or 3 kinds of tools, then the labours relating to those tools would also be calculated in the same manner as seen in the case of the axe. But, as we assumed that Venkayya used only one tool called axe, the total labour time that was necessary for making planks, in this example, is only 11 hours. (10 hours during which Venkayya worked + 1 hour relating to the axe = 11 hours).

If the work has to be carried out in 4 or 5 stages in order to make an article, the same thing (as above) is applied to each of the stages. Labour time relating to the tools required in a given stage plus labour time during which human beings work with those tools constitute the total labour time necessary for that stage.

If the work for making an article has to be carried out in 5 stages, the labour times relating to the tools required in all the 5 stages plus

labour times during which human beings work in all the five stages constitute the total labour time necessary for that article.

Now, let us see the total labour time necessary for a 'chair'. Planks are needed for making a chair. We have already seen the stage in which a tree has been transformed into planks. Now we have to see the stage in which planks are transformed into a chair. In order to make a chair, all the planks cut from the tree are not necessary. Only some of them are enough. Here, we have to take into account only that much plank which is required for a chair. This plank serves as a raw material for the chair. To make a chair with the plank, a person works for certain amount of time. He used some tools in that work. Therefore, the total labour necessary for the chair will be a combination of labour of the raw material 'plank', labour of the tools and the labour of the person who made the chair — these constitute the 'total labour' necessary for making the chair. Here we will see to examples.

Total labour time necessary for a chair.	Hrs. Mts.
Labour time of a given number of planks necessary for the chair	0.20
Labour time necessary for making the chair with the planks and varnishing it	2.00
That part of the labour of tools (such as axe, saw) which goes to this chair	0.15
Time relating to nails used for the chair	0.12
Labour time necessary for the varnish painted on the chair	0.13
Total labour time spent on the chairvarnish	3.00

Total labour time for a Blanket:	Hrs. Mts.
Agricultural Labour time relating to growing of a given amount of cotton necessary for blanket	0.50
Labour time for spinning that cotton into yarn	0.40
Labour time for weaving that yarn into Blanket	1.00
Labour time relating to tools used in all these activities	0.30
Total Labour time for the Blanket	3.00

If an 'exchange' has to be performed between this chair and this blanket, the total labour necessary for the chair will be considered as the 'value' of the chair and the total labour necessary for the blanket will be considered as the value of the blanket. As the labour time of the chair and the labour time of the blanket are equal in this example, an 'exchange' between these two articles is possible.

'Value' is nothing but 'labour'! The value of a 'thing' is the total labour necessary for the making of that 'thing'.

We have seen that for producing an article, not only labour but also 'nature-given substance' is necessary. If labour alone is counted as value, what about that substance? Does it not have any value? No. We have seen in detail why a forest tree does not have value. Whatever article we may consider, if we go back, taking into account all the labours related to raw materials and tools necessary for that article, at a point in the end, we reach 'the nature-given substance' which came into existence without labour. As there is no 'labour' in it, it won't have value. The article (either chair or blanket) might have been made by all labours that have been spent on that 'nature-given substance' subsequently. The totality of all those labours constitute the value of that article. Which means, though there is a natural substance in an article, that 'aspect' will not have value.

Use value = Natural substance + Labour.
Value = 0 + Labour.

We will see many details concerning these aspects, as we proceed further.

Let us come back to our example. The value of the chair is-labour in the chair. The value of the blanket is the labour embodied in the blanket. This is the same case with any thing: whether it is a huge building with 125-storeys, a gigantic ship, a rocket going to the moon or any other thing however big it may be, its whole value is nothing but the total labour necessary for its making.

If we assume that a kilo of cotton has a certain value, the yarn made of that cotton will have still more value. The value of the yarn increases because the labour that transforms cotton into yarn adds to the value of the cotton. The value of the cloth made with the yarn increases more than the value of that yarn. The value of garments made with the cloth increases still more than the value of that cloth. In this manner, as newer and newer labours are added to the first substance, the value of that article goes on

increasing. It is because the labour time spent on that article goes on increasing.

As the value is nothing but labour, the quantity of labour operates like a law as natural as a 'law of nature' in determining the quantity of value. It means that a commodity made with more labour acquires more value and a commodity made with less labour acquires less value. Thus, the 'quantity of labour' is like a law of nature in determining the quantity of value.

5) 'Social' labour time or 'average' labour-time

The value of a thing increases if the labour time necessary for making that thing increases and the value of the thing decreases if the labour time decreases.

Here there is a scope for a doubt. As a lazy person makes an article for a longer time, will the value of that article increase? As an active person completes the work in a shorter time, will the value of his article decrease?

If it happens like this, is it correct?

This is the doubt.

The immediate answer to this is,

"It won't happen so". Now let us see why it won't happen.

The labour time necessary for an article does not depend on the activeness or laziness of a person. The time necessary for doing a work depends upon the average skill of persons who do that work and the minimum capacity of the then available tools related to that work. Among the people who do the same kind of work, some may do the work actively, some may do it inactively and some may do it averagely. As there exist, necessarily, such differences as these among the abilities and capacities of human beings, the time necessary to do a work does not depend on the ability and capability of a particular individual. It depends only on the 'average' situations. The time during which a majority of persons (from among those who do the same kind of work) do a given piece of work constitutes the 'averagely' necessary labour time or 'socially necessary labour time'. 'Social' means relating to society. It means that it is not related to a separate individual but 'related to all'. Here 'to all' means "to all who perform that labour". Both 'social' labour time and "average" labour time mean the same.

Assuming that certain kinds of labour are necessary to do a piece of work in certain stages, it is the same case with the labour necessary in any stage: the labour time necessary at a given stage is dependent on the average conditions of that labour.

When we say that the social labour time of one yard of cloth is one hour, it is not necessary to know such details as: 'In what stage and with what sort of tools did the people who produced that cloth work? Which means: It is not necessary to know such details as 'Did they do the work of ploughing the land with ploughs or tractors for the purpose of growing cotton; did they do the work of weaving the yarn into cloth by means of handloom or powerloom? It implies that those 'works' were done with the then available sort of tools and so much of labour time was necessary for so much cloth with the then available tools.

The amount of time that was necessary for weaving 100 yards of cloth during the days of weaving by handlooms (when electricity was not yet discovered and mills run by powerlooms were not yet there) will not be so much during the days of power looms. Which means: the society which produced cloth fully on handlooms and the society which produced cloth on powerlooms are not the same.

If the time necessary for making 1 yard of cloth in a handloom based society is its 'social labour time', the time necessary for making 1 yard of cloth in a powerloom-based society will be the 'social labour time' of the second society.

Under given social conditions where there is an average level with regard to the time necessary to do a work, people who work actively or inactively in relation to that average level will receive the result of their activeness or inactiveness at their individual level. It is as follows: let us consider the blanket. Let us suppose that the total labour time necessary for the blanket is 3 hours. Out of that time, let us suppose, the labour time to be performed by the weaver is 1 hour (the whole remaining labour is 2 hours). If the weaver could weave that blanket within 1 hour, then the total labour time spent on his blanket will be only 3 hours. When he exchanges it with another article, he would get another article (chair), embodying 3 hours of labour time, in exchange for the blanket. It suits both those articles. But, let us suppose that an inactive weaver does one hour's work for 2 hours. Viewed from this calculation, the total labour spent for his blanket would be 4 hours. If he exchanges that blanket with the chair, will he get 1 chair plus another 'small sitting plank' as there is

4 hour's labour in that blanket? It will not happen so. As the principle then existing is that one should get 1 chair for 1 blanket, both the persons, the one who completed his work in one hour or the other who completed in 2 hours would similarly get only 1 chair for 1 blanket. Which means, the 2 hour's weaving labour of the inactive person has been considered as 1 hour's weaving labour. Since he did one hour's work in two hours, that person was losing that time without any result for 1 hour's labour.

Now if we see the active weaver, he did the work of weaving of the blanket, let us suppose in $^1/_2$ hour. If we view from this calculation, it will be clear that only 2 $^1/_2$ hour's has been performed for his blanket. If this person would like to exchange his blanket with the chair, will he not get the chair in return for his blanket because there is 3 hour labour in the chair? It won't happen so. He would get the chair for his blanket too. Which means, his blanket would be calculated as an article which has 3 hours labour. It means that his $^1/_2$ hour of weaving labour has been calculated as 1 hour. As this weaver actively worked, he received the result of $^1/_2$ hour's labour even without performing it. Thus, even if a person does some work (when the average labour time to do that work is fixed as 1 hour) longer than the average, that time will not be counted as an excess time nor will the value of that work increase. Similarly, if the work is completed in less time than the "average", it will not be calculated as less time nor will its value decrease. Whether the work is done quickly or slowly, it is 'an individual matter' of a person.

When we say 'more value if the labour time increases' and 'less value if it decreases' - it does not mean that there is more value if done slowly and less value if done quickly. On the contrary, some time goes waste without getting any value if the work is done slowly. If done faster, less time itself becomes more value. Thus, good result for activeness and bad result for dullness are naturally received.

The 'Average Labour Time' necessary for an article depends not on the time during which some active persons or some dull persons do the work but depends on the work done by the majority of the persons.

What is the difference between these 2 examples?

1) Average Labour Time for 1 yard of cloth = 1 hour.
2) Average Labour Time for weaving 1 yard of cloth = 40 min.

In the first example, we are seeing the 'total labour' consisting of the labour of the person who weaves yarn into cloth, labour in the yarn and labour in the tools. That is 1 hour on an average for 1 hour's cloth.

In the second example, we are seeing only the labour of the person who weaves yarn into cloth. Here, we are not adding the labour in the yarn and labour in the tools. The time necessary for weaving 1 yard of cloth is 40 minutes on an average.

Whatever aspect we take in the example, there will be an 'average condition'. That is 'Average Labour Time'.

When we say 'labour time', we need not keep repeating 'Average Labour Time' or 'Social Labour Time'. Whenever we say 'Labour Time', even if there are no adjectives attached to it, it must be understood as 'Average Labour Time'.

We have seen that what determines the value of a commodity is the 'total labour time' necessary for the production of that commodity.

The value of those commodities is more whose total labour is more and the value of those commodities is less whose total labour is less.

The reason for a very high value for gold, when compared with other articles, is that more labour time is necessary for gold than for other articles.

The value of diamonds is still much higher than the value of gold - why? It is because it takes still more time to produce diamonds. If diamonds are also available in heaps like coal, then their value would also be just like the value of coal. Very few diamonds are found even when a lot of labour time is spent on excavating mines. That whole labour time constitutes the necessary labour time of those few diamonds and hence the value of each individual diamond would be very high.

The answer to the question "why is the value of diamonds very high?" is not "Because diamonds are found in very small numbers". This answer does not tell 'the actual reason'. What is the actual reason? As increase or decrease in value is due to increase or decrease of labour, we have to tell the reason that directly points out the 'labour'. There is no mention of 'labour' in the answer that "It is because diamonds are found in smaller numbers". This answer gives rise to another question as to why their value should be higher even if they are found in smaller numbers. Even then, finally, we have to go to the reason that "it involves more labour". Therefore, the only correct and straightforward answer to the question "why is the value of diamonds very high?" is "Because they require more labour". The same is the case with other articles too. The

differences in labour times (greater or less) necessary for their production form the basis of the differences in their values (greater or less).

6) Where does 'labour' exist?

When we say that it took a certain labour for an article, does it mean that the labour entered into the article? Does labour appear in the article if we pierce the article? Is labour found in the body of an article as 'blood' is found in the body of a being? No, it does not so exist. When we say that it took a certain amount of labour to make an article, it simply means that labour had to be performed for so much time to make the article, but it does not mean that the labour entered into the article. The labour performed for making an article is an external aspect that has no natural connection with the body of the article. It also does not mean that there is no relationship whatsoever between the article and labour. Though the labour is not an aspect that goes into the body of the article, there is certainly a relationship between the article and labour since that labour has been performed merely to make that article. It means that exists as something that has no relationship with the article in one sense and as something that has relationship in another sense. As the labour does not exist in the body of an article, it is, in that sense, something that has no relationship with the article. However, as the labour has been performed for that article, it is, in that sense, something that has relationship with the article.

When we say that a total of 3 hours' labour was necessary to make a chair, this '3 hours' labour' is something that is external to the body of the chair. When we describe the same '3 hours' labour' as 'value', that value is something which is external to the body of the chair. It means that value is not an aspect of the body of an article. It is an aspect concerning the labour done for the body of an article. The same applies to any article however big it may be. Whether we take gold or diamond, their 'values' are not of their bodies but of the 'labours' done for their bodies.

If a person makes an article and either uses it himself or gives it freely to any other person, the question of its 'value' does not arise. The question of its value arises only when he would like to exchange that article with another article or when he would like to know how much would be the value of that article.

As value means labour, an exchange does not take place between a substance with value and a substance without value. It means that an exchange relationship does not establish itself between a substance made of labour and a substance without labour. For example, Ramayya and Somayya are bathing in a river. Ramayya has a gold ring to his finger. Somayya asked for that ring and said that he would give something in return to it. Ramayya agreed to it. Now, what should Somayya give to Ramayya?

Can Somayya say: "Take waters from this river in return to your ring. Give that ring to me"? Do waters in the river belong to Somayya so that he can give them to Ramayya? Ramayya can take waters from the river even without giving his ring, isn't it?

As the waters in the river are not made of human labour, they do not have value. An exchange cannot take place between river waters without value and the ring with value. If those waters of the river are brought to Ramayya's house, then some value would be formed for those waters.

Let us suppose that Ramayya built a house away from that river. Let us suppose that Somayya carried waters required for house construction from this river to Ramayya's house. If waters are carried for some time, then an exchange between those waters and Ramayya's ring could take place.

Let us suppose that Somayya carried only one bucket of water to Ramayya's house. Ramayya would pay to Somayya the value of those waters by giving some food, rice, milk, vegetable or some commodity with a lesser value. That's all. Will Ramayya give away his gold ring to Somayya simply for a bucket of water? The value of a bucket of water is not equal to the value of a gold ring. Therefore, whenever an exchange occurs, we find two important aspects in it: (1) 2 things possess value, that is, they are made of labour; (2) 2 things possess 'equal values', that is, they contain 'equal labours'.

If a person uses the article which he himself made, then it means that he used his labour himself. Or if he gives his article and takes another person's article, it means that he gave his labour to another person and took the labour of another person.

Whenever there occurs an exchange, it implies that the labour of

this side has gone to that side and the labour of that side has come to this side.

Some questions relating to this chapter :

(Only if we can answer these questions can we be sure that we have understood all the things which we have read so far.)

1. What is exchange? What is its necessity?
2. What is a 'thing'? What is a 'commodity'? Is a 'thing' a 'commodity' or not? Is a 'commodity' a 'thing' or not?
3. Mention certain things.
4. Sun, Sea, Ship, Book, Water, Coal, Fish - which of these are things and which are not?
5. What is 'Use-Value'? In which 'thing' is it present? What are the various aspects of use-value?
6. Did the cotton that grew in forests have value when human beings had not learnt weaving?
7. Suppose the people of a region do not use 'drum-sticks'. Do the 'drum-sticks' have use-value or not?
8. The use-value of 1 kg of sugar or the use of value of 2 Kgs of rice - which is more?
9. The use-value of 1 bag of grain or the use-value of 2 bags of grain - which is more?
10. You need an alpin to pin papers. As you don't have the alpin, you pin them with a sharp thorn. Your need is satisfied. Does it mean that the pin and the thorn are the same? Is the use value of both the same?
11. Is a glass of milk greater or not greater than a glass of water?
12. What is 'exchange-value'? What are the conditions that are absolutely necessary for exchanges to take place?
13. On the basis of which characteristic does an exchange take place between two different commodities?

14. What is the meaning of a 'commodity of more value' and a 'commodity of less value'?
15. What is the similarity and what is the difference between use-value and exchange-value?
16. How is the 'exchange-value' of a thing formed?
17. A person went into the sea, laboured for 1 hour and brought a basketful of fish. Will the value of that basketful of fish be 1 hour's labour?
18. Write down an example giving the table of 'total labour' necessary for a 500-page book. What will be the value of that book if it is exchanged?
19. What is 'socially necessary labour'?
20. When we say that 'the socially necessary labour of a pair of shoes is 1 hour' - what is that society about which we are talking? Do the words imply a 'particular society'?
21. The value of gold is more. The value of gold is less — Give examples in support of these two statements.
22. The value of a substance that is found in a very small quantity will be very high - Is this statement true or false and why?
23. How can we prove that 'labour alone is value'?
24. If we say, "This thing has no value" — what does it mean?
25. Fill up the blanks in the following sentences:

    1) What people make are _____.

    2) _____ are natural objects.

    3) Wood + _____ = chair.

    4) _____ + stitching labour = shirt.

    5) The moon is _____ a thing.
26. Is it possible or impossible to dispense with exchange value of a commodity? If possible, how? If impossible, how?

●

Chapter 2

Two Aspects of the Labour That produces a Commodity

We have seen that: articles are produced by expending human labour on the substances given by nature and the labours of articles are considered as their values when one article is exchanged with another.

When an article becomes a commodity, the labour that produced the article acquires two characteristics; (1) Concrete Labour; (2) Abstract Labour.

1) Concrete Labour

(1) Labours that produce 'articles':

Everything is produced by labour alone. A chair is produced by labour alone. An earthen pot is produced by labour alone. A shirt is produced by labour alone. Each one of the articles and each one of the substances are produced by labour alone.

Well, what sort of labours are these? Are all labours identical? Has a blanket been produced by the same kind of labour which produced the chair? Have an earthen pot and a shirt been produced by the same kind of labour? No. All articles are not produced by the same sort of labour. Each kind of article is produced by a specific kind of labour.

What is the labour that makes a shirt? Stitching labour. But, does it mean that no other labour than 'stitching' necessary for making a shirt? Many labours, beginning from growing cotton, are necessary. But all labours do not take place in the same location and at the same time. After cotton grows Yarn with cotton, cloth with yarn and shirt with the cloth. Therefore, when someone asks, 'what labour is necessary to make a shirt', we have to mention simply the stitching labour that makes cloth in to a shirt. We should not mention other labours beginning from the agricultural labour.

All the 4 articles mentioned here have been produced by 4 kinds of labour.

A chair - by the labour of carpentry, a blanket - by the labour of weaving, an earthen pot - by the labour of pottery, a shirt - by the labour

of sewing. Thus every article and every substance are produced by some specific labour.

If a carpenter cuts wooden planks in a zig-zag manner and fixes them haphazardly, will it become a chair? Will it become a ladder at least?

If a tailor cuts the cloth into rags and tatters, joins those pieces in a whimsical manner and stitches one or four buttons somewhere, will it become a shirt? or will it become a jacket at least?

Whatever be the article to be made with whatever substance, each will have its own method of making. Unless work is done with a clear plan and clear objective, no article can be produced.

To make different kinds of articles there should be different kinds of objectives. Various articles are produced by means of various labours performed with various aims in order to satisfy various needs. Useful labour is that labour which is done with a consciousness by which a person knows what he is doing, why he is doing it and with what objective he is doing it. Useful articles (use values) are produced due to useful labour only. If a work is done in a disorderly manner without clarity and objective, such kinds of work also involve labour. Some labour is expended on such kinds of work also. But, that labour becomes useless labour. Such a labour would not produce any use-value.

Chair, Blanket, Pot, Shirt - these 4 articles have been produced by 4 kinds of useful labour.

Wood	+	Carpentry with a specific objective	=	Chair.
Yarn	+	Weaving with a specific objective	=	Blanket.
Soil	+	Pottery with a specific objective	=	Pot.
Cloth	+	Tailoring with a specific objective	=	Shirt.

In the same manner, every article is a product of labour carried on with a specific objective.

When we say 'tailoring work has produced a shirt', does it mean that no other kinds of work are necessary? - No. To make a shirt, many kinds of labour, beginning from the cotton-growing labour, are necessary. Four or five kinds of labour such as labour that grows cotton, labour that spins cotton into yarn, labour that weaves yarn into cloth and labour that stitches cloth into a shirt — are necessary. However, all these labours do not take place in the same location and at the same time. Here, when

we say 'shirt' we are talking of the stage in which the cloth transforms into shirt. As tailoring work is necessary at this stage, we say 'tailoring work is necessary for making a shirt'. This does not mean that other kinds of work are unnecessary. Other kinds of work are not relevant at the stage at which cloth transforms into a shirt.

It is the same case with a blanket also. As weaving is necessary for making a blanket, we say 'weaving is necessary for making a blanket' while we speak only about this stage. It does not mean that other kinds of work are unnecessary.

All kinds of work necessary for making an article are not carried out simultaneously. When we consider an article at a particular stage, we observe only that labour which is to be carried out at that stage. When we speak of 'cotton', we observe the agricultural labour that grows cotton. When we speak of 'yarn', we see the labour of weaving which transforms yarn into cloth. When we speak of a 'shirt', we see the tailoring labour which transforms cloth into a shirt. This is how we see any article.

Each one of the labours that make articles and substances exists as tailoring work, carpentry work, agriculture work or some other form of work; as a special kind of work that tells us: 'This is a particular form of work'. Every specific piece of work is clearly visible to our eyes. While a carpenter is making a chair, either the carpenter or others can see that work clearly with the eyes. If some one asks that person who is seeing the work thus: "What are you looking at", that person can reply thus: "I am looking at the making of the chair". Similarly the work of weaving of blanket is also visible to the eyes, work of ploughing is also visible to the eyes, work of stitching the shirt is visible to the eyes. Thus any labour that has a form and can be clearly seen is 'concrete labour'.

Weaving - is a labour with a form. It means that it is a 'specific' labour. However, there are several kinds within weaving. Sarees, Blankets, Towels - all these are not made in the same manner. Though there may be any number of varieties in weaving, let us here consider the entire weaving as one labour in order to make things easy.

Similarly though there may be various use values made by carpentry, let us consider the whole carpentry as one labour. Similarly also other kinds of labour.

Weaving	-	Concrete labour	(a specific labour)
Stitching	-	Concrete labour	"
Carpentry	-	Concrete labour	"
Agriculture	-	Concrete labour	"
Medicine	-	Concrete labour	"

Articles are produced and needs are fulfilled only due to these concrete labours.

All the concrete labours are visible to the eyes. When we look at the chair, it will be known that it has been made by carpentry-labour. If it is a painted chair, it will also be known that 'labour of painting' has also been carried out. If we look at a shirt, all the labours which made it - namely - that cloth has been woven and stitched - will be known. If we look at a book it will be clear that somebody wrote it and it has been printed. Whatever article that we look at, all the labours which made it will be known. It means that like the natural properties of a thing, namely, colour, taste, smell, weight and height, the specific kinds of labour that made a thing will appear in the body of a thing. If the labours that produced an article are known when we look at an article, it means that tools related to those labours are also known. Thus the relationship, between an article and the labour that produced it, is a natural relationship and hence all those labours appear in the article.

(2) Labours that do not produce articles:

Labours such as tailoring, weaving, carpentry and agriculture produce 'articles'.

But, labours such as driving a cart, teaching students and treating patients do not produce any articles. These exist simply in the form of 'work'. Yet, these labours are also 'concrete labours'.

While labours that produce articles satisfy certain kinds of wants, labours that do not produce articles also satisfy certain kinds of wants.

As wants are different labours too are different.

In the case of labours that produce articles, we make use of those articles only after the completion of the process of labour. We make use of the cloth only after the weaving work is finished. We make use of garments only after the tailoring work is over. In the case of these labours, we make use of the labours only after the completion of labour. However,

in the case of labours such as 'driving a cart', we make use of such labours while they are being carried out. While the work of driving a cart goes on, that labour is useful to the people who travel in the cart. It is the same case with such forms of work as teaching students and treating patients. Though there are such natural differences among the specificities of the labours, all the things that we see about labours apply to all kinds of labour uniformly. However, here, in order to make our examples easier, we are taking into our investigation, only those labours that produce articles. All the principles that apply to these labours apply verbatim to the second kind of labours also, namely labours that do not produce articles.

When we speak of labour, it is bound to exist as a labour with some specific form (concrete labour) such as tailoring, weaving or carpentry. Labour cannot exist without a form, i.e. without specificity. It is a natural trait of 'labour'. Moreover, labour also has quantity (measure). When we say '2 hours of tailoring', 'tailoring' is the form of that labour (it is the specificity of that labour). '2 hours' is its quantity (measure). When we say '3 days of weaving', weaving is the form of that labour and '3 days' is its quantity. In this manner, any kind of labour will have form and also quantity.

In the case of making an article called a 'chair', if we consider not simply one stage but all the stages right from the growing of a tree for planks to the colouring of the chair, several kinds of concrete labour are necessary for the making of a chair. Similarly, several kinds of concrete labour are necessary also for a blanket. It is the same case with any article.

2) Abstract Labour

If we leave out the form and take only quantity from concrete labour, it is abstract labour. If we call '1 hour's tailoring labour' as '1 hour's labour', it means that we are abandoning the form of that labour and taking only its quantity. When we speak of '1 hour of tailoring', that labour has both form as well as quantity. But when we speak of '1 hour of labour', that labour has only quantity and no form. However, when we say '1 hour of labour' we will know 'how much' labour it is but not 'what sort of labour' it is. It means that when we describe '1 hour of tailoring labour' as '1 hour of labour', we are seeing concrete labour in terms of abstract labour. It is the same case if we describe '2 days of weaving labour' as '2 days of labour'. It is simply seeing concrete labour in terms of Abstract labour.

When we said that '1 hour of tailoring' plus '2 hours of weaving' is '3 hours of labour' in total, what have we done here? It means that we have abandoned the specificities of two different kinds of labour and taken only their quantities. Which means, we have combined 2 concrete labours and are seeing them in terms of 'Abstract labour.

Whenever we combine more than one labour and speak of 'total labour', it amounts to seeing 'concrets labours' in terms of an 'abstract labour.'

If we pour into a vessel 2 glasses of milk and 1 glass of water and say that there are 3 glasses of liquid in total in this vessel, we are speaking of the quantity of the liquid but not of such details as what specific liquids they are. If we put in a basket 2 kilos of jaggery and 3 kilos of 'maida' flour and say that there is a weight of 5 kilos in the basket, we are speaking of only the weight of the substance but not he specificities of that substance. Similarly, when we combine different labours and speak of 'total labour', it means that we are taking into account only the quantities of those labours.

Concrete labour — has both quality as well as quantity (Quality refers to the specialness of that labour).

Abstract labour — has only quantity.

Concrete labour	**Abstract labour**
1 hour of tailoring	1 hour's labour
2 hours of weaving	2 hour's labour
2 days of carpentry	2 days' labour
4 days of mining	4 days' labour
3 days of ploughing	3 days' labour

Thus, if we leave out the specificity of a concrete labour, it is abstract labour.

3) Aspect of equality among different labours

When we speak of 1 hour of tailoring and 2 hours of weaving, we are measuring both tailoring labour as well as weaving labour in terms of hours. That is, we are measuring both tailoring and weaving by the same means called 'hour' (i.e. the same means called 'time'). In fact, while tailoring is one kind of labour, weaving is another kind of labour. How is it possible to measure different kinds of labour by the same means? This

is how it is possible: it is possible because of an aspect of equality called 'labour' that exists in both the kinds. Though their forms are different, both of them are labours. Tailoring is a labour, and weaving is also a labour. As both of them have the trait of 'being labour', it is possible to measure those two labours in the similar fashion with the same means (the means called 'time').

Though milk and water are substances with different specificities, it is possible to measure them with the same means like 'glass'. Why? Because both of them are 'liquid' substances. Because both of them have the feature of being a liquid. Similarly, though jaggery and maida flour are substances of different special qualities, both are solid substances. As both of them have a feature of 'being solid substance' if they are to be measured, it is possible to measure both of them in the same manner with the same means like a 'weighing stone' that measures solid substances. Similarly, it is the same case with different kinds of labour also. Weaving, tailoring, carpentry, writing, cutting, mining, ploughing — all are labours! Any form of work is labour! All labours are done by the 'human body'. Brain, nerves and muscles of human body have to be exerted to perform any labour. Therefore, it is possible to measure anything called 'labour' in the same manner with the means called 'time'.

Let us suppose that an exchange has taken place between a chair and a blanket. According to our example, the total labour time in the chair is 3 hours and the total labour time in the blanket is 3 hours. Some concrete labours have produced the chair while some concrete labours have produced the blanket. Let us mention all labours in a chair with a single name 'carpentry' and all labours in a blanket with a single name 'weaving'. The exchange between chair and blanket implies an exchange between carpentry and weaving. In fact, the exchange that took place here is not simply between carpentry and weaving. The exchange took place between certain kinds of labour that produced the chair and certain kinds of labour that produced the blanket. Yet, only in order to be brief, we say that an exchange took place here between carpentry and weaving.

Though carpentry and weaving are different kinds of labour and as they possessed a feature of equality called 'labour', their exchange was possible by measuring them with the means called 'time'.

4) For production and consumption of articles, only measures of 'use-values' are necessary but not measures of 'value'

Raw materials, tools and concrete labours are needed for producing articles. Therefore, in order to produce articles it is a natural necessity to measure the required raw materials, required tools and required labours. To make a chair, some plank, certain kinds of tools and some labour of carpentry are required. Depending upon the required size of the chair, we have to measure the plank and get it. (The chair in our example requires, let us suppose, 1 cubic foot). We have to take required tools, whatever sort they may be. (People who produce articles will have an understanding of the life-time of the tools which they use). There should be some calculation as to how many hours of carpentry is required for making the plank into a chair. (Let us suppose that 2 hours of carpentry is required in this example). Thus, in order to make a chair, while considering required raw materials and tools as use values, we have to see their physical dimensions and specificties. Similarly, while considering the labour required for the chair as 'concrete labour', we should calculate the labour in terms of its specificity as "so many hours of carpentry labour is required".

Let us suppose that the chair has been made and it needs varnishing. This is the stage of varnishing the chair. Here we have to turn the varnishless chair into a varnished chair. Some varnish is required. Tools like a brush are required. 'Labour of varnishing' is required (in this example, the varnishless chair and the varnish come under raw materials. Things like the brush come under tools. We will see questions like "what are raw materials and what are tools" in part 2 in great detail). In this manner, consider any stage in making an article, a raw material (or some raw materials), some tools and a labour (or a few labours) are required.

When we take the article called 'Blanket', three stages in all are needed for its production. The stage of growing cotton, the stage of spinning the cotton into yarn and the stage of weaving the yarn into blanket — are needed. If it is a flowerdesigned blanket there might be another stage of printing flowers. During these stages, we have to measure raw materials, tools and concrete labours at each stage. The number of tools, and the quantities of concrete labours expended as a whole during all these stages constitute the total number of tools and total number of concrete labours required for producing the blanket.

This kind of measuring is necessary for making any article. It is enough to measure required raw materials and tools and to measure required labour in terms of concrete labour. In this way, no perspective other than the 'Use-Value' perspective is necessary for producing articles. Other kinds of calculations and other kinds of measures are not necessary. This means that for the production of articles value calculations and value measures are not necessary. (The significance of this aspect will be understood better as we proceed further into subsequent parts).

However it is not possible to dispense with value calculations when it is inevitable for articles to transform into commodities, i.e. when 'exchanges' are taking place. As exchanges are not possible unless the values of articles are known, it is obligatory to have value measures and calculations of articles if exchanges of articles are to be carried out. When we speak of 'measuring the value', we know that it only means measuring the total labour expended on an article. In order to calculate the value of an article (i.e. in order to calculate the 'total labour expended' on that article), the specificities of consumed raw materials, tools and concrete labours will all vanish and only quantities of their labour are considered.

Let us take a 'chair' and consider it as a commodity that goes into an exchange. It means that now we have to calculate the value of the chair. We assumed that some planks, some tools and 2 hours of carpentry labour are necessary. Planks and tools necessary for the chair are also articles that have been produced by labour. Let us suppose that labour relating to those planks and labour relating to tools together constitute '1 hour's labour'. To this 1 hour's labour, if 2 hours' carpentry labour that converts planks into chair is added, it will be '3 hours' labour' in all. This is the total labour spent on the chair. This alone is the value of the chair.

To see 'value' means to see the 'total labour'. Hence, while looking at the value, details relating to the kinds of labour performed for making an article and the kinds of tools which those labours used will not appear.

'Value' is an abstract labour. In fact, there won't be abstract labour anywhere. Wherever it exists, labour exists invariably in one form or the other. But, for the sake of value calculations alone, an unnatural category called 'abstract labour' is used.

To produce objects it is possible to see all the required elements in terms of 'so-many' use-values. It is natural to say that so much wood, particular kind of tools and so many carpenters are necessary to make a chair. To view the matter like this is looking at it from a use-value

perspective. Instead, to say that so much value in all is necessary to make a chair is unnatural. It is looking at things from 'value' perspective.

Similarly, even with regard to using an article, only the measure of use value is necessary and the value measure is not necessary for using an article which has already been made. An article will not be without use even if we use it without the measure of the value. An article will be useful in the same manner whether we calculate its value or not. An article gives its use-value irrespective of whether its value has been calculated or not. Therefore, measuring the value (total labour) is not naturally needed either for production or consumption of the article. Hence, measure of value is an unnatural thing (We will see some aspects concerning 'abstract labour' later).

5) 'Value' means 'labour' only! But, 'labour' does not mean value!!

All the articles are produced by labour. No article is produced without labour. However, the labour embodied in an article (the labour spent on an article) need not indispensably become value. The labour in an article will be counted as value (becomes value) only when that article is exchanged with another article. If that article is used without an exchange, there would be no 'value calculations' for that article. That is, the labour in that article does not become 'value'. Then, that article exists only as a use value.

If a person (or a family) grows some grain and uses it up for itself (or gives it freely to others), that grain will have no 'value'. If we say that it has 'no value', does it mean that grain will have no 'value'? If we say that it has 'no value', does it mean that labour was not expended on making that article? No. An article is not produced if labour is not spent. It only means, that, as exchange of that article did not take place, the labour spent on it did not become value.

Though it is only labour that becomes value, there is no rule that labour must become value. If you say the same thing briefly: value means labour only, but labour does not mean value!

If we do not understand properly that "value means labour only, but labour does not mean value", it would appear as a very natural phenomenon that an article possesses value. This is how it appears: since the article does not exist without labour and since we assume that labour means value only, it appears as if an article does not exist without value.

It is very wrong to conclude that an article does not exist without value from the fact that an article does not exist without labour and the claim that labour means value only.

It is true that "an article does not exist without labour."

However, it is wrong to say that "labour means value only." 'Labour' is not necessarily 'value'. Labour becomes value only if we exchange the article, other wise that labour will not become value. An article, though produced by labour, yet can exist without value.

Labour becomes value only due to an unnatural phenomenon called 'exchange'; otherwise labour does not naturally or by itself become value.

If transformation of labour into value were a natural law, then it would not be possible to use an article without paying value (without exchanging the article). It would not be possible for any person to use an article which he himself had produced. However, as people are able to use the articles, which they themselves had produced, without reference to value, it means that transformation of labour into value is not an obligatory rule.

Then, why is such an unnatural thing, namely, measuring the values of articles, happening in our real life? It is because exchanges are taking place between articles. For exchanges of articles to occur, we need to know the amount of value of an article. Therefore, value measures will definitely exist as long as 'exchanges' take place.

"Why do unnatural value measures exist?" - an answer to this question is "Because exchanges exist". Then what is the answer to the question "why do unnatural exchanges exist?". The system of 'private property'. Which means: the individual ownership over property is the basis for exchanges. We have to see many more details regarding these things as we proceed still further. For the present, we learn things briefly here.

If we want unnatural value measures to be stopped, exchanges should stop. Which means: the whole society should be able to use articles without exchanges. To make this possible, some changes should precede it. Changes such as 'production and consumption of necessaries of life collectively by all human beings in the society according to the needs' should take place. Only in this manner will we be able to dispense with exchanges. Regarding this aspect, we have to learn several things at

greater length. What we briefly see here is that "value means labour only but labour does not mean value".

6) Article and commodity

The chair — is an article. It is an article made of certain substances, certain tools and certain concrete labours. It is a use-value useful for sitting.

The blanket — is an article. It is an article made of certain substances, some tools and some concrete labours. It is a usevalue useful for covering oneself for warmth.

If an exchange takes place between these 2 articles, then they are commodities as long as they exist in that exchange relationship. The totality of their labours is their exchange value.

The total labour of the chair is - the 'exchange value' of the chair.

The total labour of the blanket is - the 'exchange value' of the blanket.

If we use chair (or another article) without putting it in an 'exchange relationship', it would simply be an article and not a commodity.

If we put the same chair (or another article) in an exchange relationship, then it would not be simply an article but also a commodity. We have to examine this in a some what detailed manner.

The chair which is in an exchange relation does not cease to be a chair. Its bodily features do not vanish. Even in that relation it remains as a chair. However, it thereby also acquires characteristics of a commodity. Which means: an article in an exchange relation, while existing as an article that has a usevalue, also exists as a commodity that has some exchange value. That is, at that time, it will have the characteristics both of an article and a commodity. However, it will not have those two characteristics simultaneously. It does not exist as a commodity while it exists as an article and vice-versa. Which means: it is an article that has a use-value when we see its bodily (physical) features. When we see only its value, then it is a commodity that has some value. When we see it as an article with a use-value, its labour is concrete labour. When we see it as a commodity with some value its labour is Abstract labour.

Natural		**Unnatural**
Article	-	Commodity
Use-value	-	Exchange-value
Concrete labour	-	Abstract labour

As a commodity has both natural and unnatural characteristics, a commodity exists with mutually contradictory characteristics. An article which has not become a commodity will not have these contradictions.

We should never call an 'article' a 'commodity'. But we can describe 'commodity' as an 'article' also because it is both a 'commodity' and also an 'article'.

Commodity called 'chair'

Article	Commodity
A use-value	Some exchange value
Some concrete labours	Some amount of labour

This reasoning applies to any other thing.

Those who want to understand 'economics' should first know that a commodity has contradictory characteristics as an article and as a commodity. Unless this is known, it is not possible to know which is natural and which is unnatural in social phenomena. When we see an article (commodity) that has both use-value and value without a proper understanding, both these characteristics appear as natural. That is, it appears as if possession of value is as natural as possession of use-value by an article and as if it is not possible for articles to exist without value. However, if we examine contradictions in a commodity, we can understand that it is possible for all the articles to exist without values (that is, it is possible for articles not to transform into commodities) even though they are produced by labour.

7) What does 'productivity' mean? What is its relationship with use-value and exchange value?

Productivity means capacity to produce articles.

Let us suppose that a tailor can stitch 1 shirt within 1 hour stitching by hand. If he is able to stitch 2 shirts within one hour (or even if he is able to stitch a little more than one shirt) due to the introduction of a sewing machine, it is an increase in productivity (the reason for an increase in productivity is not simply introduction of machinery. There will be yet other methods. We will see all of them later).

If more work is done than earlier in the same period during which work was done in the past, it is an increase in productivity. If less work is done than in the past, it is a decrease in productivity.

If we take a very long time and observe it, the productivity will have definitely increased during that period. And it won't decrease again.

If weaving by powerlooms replaces weaving by handlooms, it is a progress that had taken place during a long period. It would never happen again that weaving would be done by handlooms as in the past and productivity would return to its earlier stage. If we examine the productivity once in 10 or 20 years, it will have progressed and increased compared to the past.

Instead of such a long period if we observe a period of 6 months or one year, that is during very short periods, the productivity may increase and decrease. The productivity of grain of one year may not be the same in a subsequent year. The 'capacity to produce' at one time may not be the same at another time (productivity or production capacity mean the same. We can use either of these terms).

Productivity's relationship with use-value and exchange value.

What does it mean when we say that productivity has increased? What is that labour whose productivity has increased? Does it mean that the productivity of weaving labour has increased? Does it mean that the productivity of tailoring has increased? What is that labour whose productivity has increased? When a few machines are introduced it would be a machine that works in some specific labour. If a new machine is introduced for doing tailoring work, the productivity in tailoring will increase. If a new machine is introduced in carpentry, the productivity

in carpentry will increase. If a new machine is introduced in tailoring labour and not in other labours, the productivity of tailoring labour alone will increase and it will not increase in other labours.

When we speak of 'productivity', we have to take any 'one' labour. Let us take the labour of making chairs. That is, the labour of carpentry that turns planks of wood into a chair. Let us suppose that 1 chair was made in 1 hour before an increase in productivity and 4 chairs are being made in 1 hour after an increase in production. What results does this change bring in use-value and value?

1 chair was made in 1 hour labour before productivity increased. Now, 4 chairs are being made with the same labour (with 1 hour's labour). Hence, use-values increase as a result of an increase in productivity (i.e. the 'quantity of use-value' increases). That is, more articles are produced in the same time. However, there is no change in the use-value of one article (1 chair). The use-value of one article remains the same both before and after an increase in the productivity. This is a result in the case of use value.

The result in the case of value is contradictory to this. The value of 1 hour's labour will remain the same even after productivity increases as it was before productivity increased. 'An hour's labour' is always an hour's labour. 1 hour's labour will not be either more or less labour than 1 hour's labour as a result of an increase in productivity. However, the value of 1 article decreases after an increase in productivity. It is because the labour necessary for 1 article decreases. This is how it happens: in the formation of value of a chair, the labour of its raw materials, the labour of tools and the labour of carpentry are added. Now, the productivity has increased in carpentry. Hence, there is now a change in the labour of carpentry that is necessary for making 1 chair. As 1 chair was made by 1 hour's carpentry labour before this productivity increased, that 1 hour's labour constituted the necessary labour of 1 chair. But, as 4 chairs are being made in '1 hour's labour' after productivity increased, that '1 hour's labour' now constitutes necessary labour of 4 chairs. It means that 'quarter hour of carpentry labour' alone is necessary now for '1 chair.' In this manner, a large part of the total carpentry labour and hence the total labour necessary for the chair decreases and thereby the value of the chair decreases. It means that, when the productivity of a particular labour increases, the value of 1 hour's labour does not change at all but as more articles than earlier are produced in that one hour, the labour time for each of those articles and thereby its value decreases.

If the productivity increases in agricultural industries that produce raw material (plank) necessary for making chair, then the necessary labour time of plank and hence its value decreases and thereby the value of the chair made of that plank also decreases.

Similarly, if there is an increase in the productivity of labours that produce tools necessary for making chairs, then their value and thereby value of the chair made of those tools also decreases. In this manner, the value of the chair decreases when the productivity increases in any item that is necessary for the chair. This is a consequence of an increase in productivity in the case of value.

At the very beginning, in an example, we assumed that there used to be an exchange between 1 chair and 1 blanket. To make our example simple, let us not take into account raw materials and tools of both the articles. Let us take only labour of carpentry and labour of weaving. Let us see what sort of changes take place in the labours necessary for those articles as a consequence of productivity.

Let us suppose that '1 hour's labour' of carpentry is necessary for the chair and '1 hour of weaving labour' is necessary for the blanket. Which means, the values of chair and blanket are equal. Therefore, an exchange takes place between '1 chair' and '1 blanket'.

1 blanket = 1 chair

(1 hour's weaving = 1 hour' carpentry)

Given that this is so, let us suppose that production of carpentry increases and hence 4 chairs are made in '1 hour'. Which means: the labour of carpentry now necessary for '1 chair' is not '1 hour' but '15 minutes'. It means that the past value of '1 chair' is not embodied in '4 chairs'.

Let us suppose that there is no such change in the productivity of blanket and the blanket even now embodies only '1 hour's labour'.

Then, will an exchange take place even now between 1 blanket and 1 chair as it happened in the past? - No. It does not take place. This is because the labour times in those articles are not the same now as in the past. Now, while the labour in 1 blanket is '60 minutes', the labour in 1 chair is '15 minutes'. The value of the blanket is the same as in the past. However, the value of the chair has drastically gone down. Therefore, if a person having chairs now needs a blanket, he won't get it if he gives 1 chair. He will get 1 blanket only if he gives 4 chairs. That is, now:

1 blanket = 4 chairs

(1 hour of weaving = 1 hour of carpentry)

4 chairs for 1 blanket does not mean that more than '1 hour of carpentry' is given in exchange for '1 hour of weaving labour'. It simply means that an exchange has taken place, even now, between '1 hour of weaving' and '1 hour of carpentry', as in the past.

Now let us go back to the first example. To the example where the labour time of both the chair and the blanket was '1 hour' each. Given that this is so, let us suppose that the productivity, instead of increasing, has gone down to half. Which means: now it takes not '1 hour' but '2 hours' to make a chair. That is, now, there are 2 hours in 1 chair. Let us assume that there has been no change in the productivity of the blanket and the labour in the blanket is '1 hour' even now. Then, what sort of exchange would it be between the blanket and the chair? Will there be an exchange between '1 chair' and '1 blanket' even now? No, there won't be. This is because the labours in those articles are not the same as in the past.

Now, the labour in the chair is 2 hours. The labour in the blanket is 1 hour. Therefore,

1 chair = 2 blankets

(2 hours of carpentry = 2 hours of weaving)

Likewise, changes in the productivity of the blanket may also occur. Even then, the results would be similar.

In whatever manner the productivity in any labour changes (whether it increases or decreases or whatever happens) the value given and the value taken will be the same. The quantities of articles change accordingly.

The productive powers of agricultural crops do not always remain the same. In one year cotton may grow well and grain may get spoiled. Or all crops may grow better than in the past. Or all crops may go down. In this manner, there always occur changes in the productive powers. Productive powers increase when we are able to grasp newer and newer aspects of science.

Whenever productivity changes, its effects on 'Use-Value' and 'Value' will be, briefly, as follows.

When 'productivity' changes in one labour:

(1) Effects on the use-value:

If we take '1 hour' or '1 day' or '1 year' or some specified period of time, we find that the 'mass of articles' (i.e. quantity of use-value) increases or decreases. However, ' the quantity of use-value' in 1 article (in 1 unit) does not change.

(2) Effects on value:

If we take some specified period, we find that the 'Quantity of value' produced during that period does not change at all. However, the labour time necessary for 1 article (for 1 unit) either increases or decreases and thereby the value of 1 article either increases or decreases.

8) Relationship between 'social labour time' and 'productivity'

'Social labour time' means 'average labour time' necessary to do a piece work. The average labour time necessary to do a piece of work is dependent on the productivity of that work at a given time.

Let us suppose that weaving done on handlooms constitutes one stage while weaving on powerlooms constitutes another stage. Let us also suppose that there is a gap of 20 years between these two stages.

Let us suppose that the labour of weaving necessary on an 'average' for '1 blanket' is '1 hour' in the first stage (in the handlooms stage). However, this 'average' does not remain exactly the same each time.

Let us suppose that the labour of weaving necessary on an 'average' for '1 blanket' is 'half hour' in the second stage (in the powerlooms age). This average too does not remain exactly the same each time. It may vary this way or that way. Yet, this 'average' would not be very far from 'half hour'.

Let us suppose that new machines have been introduced not only into weaving work but also into the work of ploughing the land and the work of spinning the cotton into yarn and hence production has increased in those labours also. Then, as the raw material and tools necessary for the blanket are made with less labour, the labour in the blanket gets reduced much more than earlier.

In this manner, as the productivity in all the items necessary for an article increases, the average labour time necessary for that article will go on decreasing.

Introduction of powerlooms into 'weaving work' does not mean that handlooms have totally disappeared and no one is weaving on handlooms. If a large part of the weaving work (weaving labour) that is necessary for the whole society is being done on powerlooms while a small part is being done on handlooms, then it constitutes the stage of 'powerlooms'. Then the time (whatever it be) that is necessary for weaving '1 meter' of cloth on power looms will be the average labour time for that work. Even those persons who work on handlooms shall also abide by this new 'average labour time'. Even though it takes more time to do that work on handlooms, it would be counted as less time (only as the amount of time that work would take on powerlooms). In this manner, the 'social labour time' (average labour time) of a given type of work depends on the productivity of that labour at a given point. This is the relationship between 'social labour time' and productivity.

9) What is meant by 'division of labour'? What is its use?

We have seen that every individual produces himself all the necessaries of life. Let us suppose that while persons belonging to some families grow grain, persons belonging to some families' do wood-work (carpentry). Persons of yet other families do exclusively earthen work (pottery). Thus, if some people do one kind of work, and others do some other kind of work 'it is division of labour'. The 'division among labours' is 'division of labour'. According to this example, the labour of carpentry is an independent branch. If we imagine the totality of all kinds of labours necessary for the whole society (for all the persons in the society) as a 'social labour tree', labour of carpentry constitutes one branch and labour of pottery constitutes another branch of that tree. The independent labours of a given society (the society which we take as an example may belong to any epoch) are like different branches of that social labour tree. What an independent branch of labour does is, it produces use-values (use-values made by that labour) necessary for the whole society.

Now we will see in some detail one or two labours which at present exist as independent labours. At present, if people want clothing (garments) they don't stitch their garments themselves. They get them stitched by a tailor who exists exclusively to do the work of stitching.

But some time ago, there were no such people as 'tailors' who stitched clothes. It does not mean that human beings did not yet wear clothes. Growing of cotton, weaving of clothes, stitching of clothes and wearing of clothes - all these things were going on at that time. Though there were no people called tailors who stitched clothes, everybody was wearing stitched clothes. Which means, people were stitching their clothes themselves.

People in a peasant family used to stitch their own clothes. People in a carpenter's family used to stitch their own clothes. People in a potter's family used to stitch their own clothes. Thus, at one time people used to stitch their own clothes and there was no system whereby people used to give their clothes to another individual to get them stitched. Which means, there was no single individual who had tailoring as his occupation then. Though 'stitching work' was already there in the society, it did not emerge as an 'independent branch of labour' in the division of labour of the then existing society. This means that it was not differentiated from the then existing independent branches of labours.

If individuals in a peasant's family were doing stitching work along with agricultural work, it means stitching work was not counted separately from agricultural work. If individuals of another family were doing stitching work along with carpentry, it means that stitching work was undifferentiated from carpentry. Similarly stitching work was undifferentiated from blacksmithy and pottery. It was merged with all the then existing independent labours.

Later after some time a tailor, who does the stitching work for all people, emerged. This tailor does not simply stitch his own clothes. He would stitch clothes for others also. He takes necessaries of life from others. It was not necessary for people to stitch their own clothes after the emergence of a tailor.

Individuals in a peasant family get their clothes stitched by the tailors and give him some grain. Individuals in a potter's family get their clothes stitched by a tailor and give him some pots. Individuals in a carpenter's family would make some wooden articles for the tailor - thus individuals who perform other labours, stop stitching clothes for themselves and get them stitched by a person who exists specifically for that work and give the tailor articles produced by their labour.

It means that stitching work which was hitherto counted as part of all the labours now has separated from all the labours. It means that there

has been a division between stitching work and other labours. Now 'stitching labour' stands besides other independent labours as an independent labour with its own individuality.

Before that, let us suppose that, there were 4 independent labours namely agriculture, carpentry, blacksmithy and pottery. If stitching labour separates from those labours and becomes an independent labour, it means that now there are 5 independent labours in the society.

Before a labour becomes an independent labour, the articles produced by that labour would be available to those who perform that labour. That labour satisfies their necessaries only. If that labour emerges as an independent labour, we will find individuals who would perform that labour for others. Then, articles produced by that labour would be available to all. That is, emergence of a labour as an independent labour implies emergence of specific individuals to do that labour for all.

Let us assume that, at a given stage of society, there are 5 independent labours and 10 labours which have not yet been separated as independent labours. The mass of articles produced by these 15 labours taken together constitutes the total "mass of products" (It means that there are labours which do not produce articles in this mass). This total mass constitutes society's 'material wealth'. It implies that the society is living on that mass of products.

Separation of one labour from other labours and its emergence as in independent labour does not take place suddenly in one day or in one month. It takes a lot of time. The beginning of separation of a given labour from other labours does not imply that the given labour was born only then. That labour has been there in the society since a very long time in the past and has been producing use-values. After some time it separates as an 'independent labour'. Separation of a given labour from other labours (i.e. emergence of specific individuals to do that labour) is indispensable for society.

There had been 'division of labour', even in antiquity when the so-called 'exchanges' had not started in society. There was 'division of labour' in primitive Indian communities even before 'exchanges' started. Let us assume that some human beings were then living collectively. Among them some used to hunt while others were tending animals. (We indicate these labours simply for the sake of example). All people take the meat brought by some people by hunting. Similarly all people take the substances produced by some people by tending animals. Of these

products, none would have value measures and exchanges. Which means, 'division of labour' is possible without reference to 'value'. For this, primitive Indian community stands as a piece of evidence.

Of the hundreds of independent labours existing in present-day society, innumerable labours began only after exchanges had emerged. Once 'exchanges' and 'value measures' emerge, then the formation of a given labour as an independent labour would take place on the 'basis of value'. That is: let us suppose that 'stitching labour' emerged as an independent branch' only after the beginning of 'measures of Exchange-Value'. Since then, '1 hour stitching labour' too acquires 'value' as other labours do.

If a person stitches a shirt for another person before the emergence of stitching labour as an independent labour, then there won't be any payment of value to that work based on some calculation. That would be in the form of 'helping', that is, in the form of 'use-value'. (The person who got the shirt stitched would express his thanks to the person who stitched a shirt for him in another form at another time). But, now (that is, after a person begins to do stitching work for others as a tailor) it would be clear, to both the tailor as well as the other person who engaged him, that the stitching work has some definite value. The person who got his clothes stitched would pay value for that work according to value calculations.

Formation of stitching work as an independent labour implies that individuals who perform that labour practice a specific occupation. Thenceforth, that labour exists as a special occupation.

Let us suppose that a person stitches his own clothes without giving them to a tailor even after stitching labour emerged as an independent labour (that is, even after tailors who stitch garments came into existence). The labour of that person exists as 'Use-Value' but not 'value'. However, now that person is able to calculate the value of his labour: "If I get these clothes stitched by the tailor, I had to pay so much value. Therefore, the value of the work that I have done is so much" - thus that person can calculate the value of his work.

Because of 'division of labour', it is possible for certain individuals to acquire special skill in a given labour. Person interested in stitching work would make that work his main occupation. Because he stitches several kinds of clothes for others and as he gets several experiences he acquires skill by doing the same work again and again. If it were a situation

wherein every one stitches his own clothes, no single person will have an opportunity to acquire so much skill.

If we look at the labour of making shoes: even before it emerged as an independent labour, people used to wear shoes. However, then, whoever wanted to wear shoes they had to make their own shoes and it was not possible to get a pair of shoes in 'exchange' since there were no people who make pairs of shoes for others (for exchanges). In order to get pairs of shoes in 'exchange', labour of making shoes should get separated from other labours. It means that labour of shoe making should also acquire 'value'.

If value is paid in the case of other kinds of work and not paid to the work of making shoes, then no person would start the work of making shoes for others. Only if shoes are in the process of becoming 'daily necessity' for people and if they agree to exchange shoes with other articles, it implies that shoe making is also acquiring value measure. When shoes are also becoming commodity with value, some individuals, for the sake of exchange, undertake labour of shoe making for others. Thenceforth, the labour of shoe making gets separated from other labours. It will stand, with equal status, as a labour with some value along with other independent labours.

(This does not mean that 'division' between a given labour and other kinds of labour takes place only when that labour acquires value. 'Division of labour' takes place even if there is no 'exchange value' in the society. However, in a society dependent on 'exchange value' - that is, in a society where use-values are obtained only through exchange - emergence of a given labour as an independent labour is possible only when it acquires value).

All labours give some 'use value' or the other. That way, all labours are equal. However, use-values are of different kinds and hence when seen from the aspect of 'giving different use-values', the fact that 'all labours are equal' is not proved. The fact that 'labour which gives grain and labour which gives shoes are equal' is not proved by those different articles. However, the fact that any two labours are equal is proved by their transformation into values.

Let us assume that shoe making begins for the sake of exchanges with others and others begin to give 'Value' to the shoe making labour. Then it will be proved that: "shoe-making labour too has 'Value' as other labours have the value. It means that whatever characteristic that other

labours have, shoe-making labour too has that characteristic. In that sense, shoe-making labour is also similar to other labours. Thus shoe-making labour is equal to other labours".

In this manner, 'equality of labours' is proved only when each labour produces articles for the sake of exchanges.

In order that shoe-making labour be an independent labour, it is not necessary that the person who performs that labour should do only that labour without doing any other labour. A shoe-maker may do agricultural work for some time. He may graze the cattle for some time. He may do any number of types of work. But, he must do the work of shoe-making essentially for others. If there is no single individual who would make shoes for others, then it means that shoe-making has not emerged as an independent labour.

Let us suppose that a person does both shoe-making labour as well as tailoring labour for the sake of exchanges. Which means: that person is performing 2 independent labours. He produces 2 kinds of Use-Values by those 2 labours. Though the person who performs those 2 labours is a single person, those labours are different labours.

Let us assume that there are 10 kinds of labour in the society. It means that people are then using 10 kinds of Use Values produced by those labours. Then, let us suppose, another new form of labour came to be known (e.g., watch-making or making of radios). Thenceforth, people will be using all kinds of Use Values. This is how the kinds of articles which people use go on increasing.

The greater the 'division of labour', the greater the variety in Use-Values. Increase in the variety of Use-values implies increase in the variety of commodities. If more exchanges are to be carried out, production of newer and newer kinds of commodities must take place by means of greater 'division of labour' and emergence of newer and newer labours. If there are 'n' number of thousands of labours, we will find so many thousands of commodities.

To produce newer and newer kinds of commodities, newer and newer 'division' in labours is necessary. That is, division of labour is most essential for commodity-production. But, commodity production is not necessary for 'division of labour'. Which means: even if there is no system of exchanges that transforms articles into commodities, the

'division of labour' will not cease. Division of labour will always exist for new kinds of use values.

Let us consider an example to show that 'division of labour' is necessary even if articles do not change as commodities.

There will be several sections in a factory (the whole factory belongs to one owner only). Different kinds of articles are being produced by different kinds of labours in those sections. When articles are taken from one section to the other, exchanges would not take place between that section and this section. Any number of articles may be used from any section without reference to 'value'. Is it imperative for the articles (produced by several labours in this factory) to transform into commodities? No. though articles in one section are not commodities for another section, division of labour is essential for the production of different articles in the factory.

Even though values existing now will not exist in a new form of society, 'labour' will be necessary even for the production of UseValues. There won't be Use-Values without labour and division of labour. Human society can never exist without producing Use Values.

Animals live only by substances that are readily available in nature. The same is not the case with human beings. They, by means of their labours, transform substances found in nature in a manner useful to them. Nature will not help humans in such transformation. That work (of transformation) has to be done by means of their experiences, knowledge and skill.

Whenever human beings cease to perform labours, their necessaries of life get reduced. If they did not labour again and produce new articles, they would return to the animal stage wherein they would again depend on nature and live by eating whatever is found in nature. Then, they cannot exist as 'humans'. What keeps humans human is the useful labour which they perform. Whatever be the stage of the human society (whether there are value calculations or not), labour is an indispensable necessity of humankind. It is an eternal need of humans dictated by nature.

Human labour is not the only source for the material wealth that satisfies human wants. We should not forget the substance offered by the nature. Only when labour is expended on substance, a 'mass of articles' (material wealth) of human society is formed.

Questions :

1. What is 'useful labour'?
2. Mention certain labours and the things made by them. E.g., Tailoring labour-produces clothes.
3. Is it correct to say that a shirt is made by the 'labour of growing cotton'?
4. What kinds of labours are required for the production of blanket right from growing cotton?
5. Here are 2 answers which indicate various items that are necessary to stitch a cloth as a shirt. Which of them is correct? What is the 'mistake' in the 'wrong' answer?
   1) In order to stitch a cloth as a shirt: a certain amount of cloth, some tools like needle and thread, and a certain amount of tailoring labour are required.
   2) In order to stitch a cloth as a shirt: the labour of producing cloth and the labours that produce tools to carry on that labour, the labours that produce tools like needle and thread, and a certain amount of tailoring labour are necessary.
6. Name certain labours that produce 'things' and certain other labours that exist only in the form of work.
7. 'Labour of driving a cart' - what articles does it produce?
8. Rice, water, one or two vessels, a big spoon, a few dry sticks and labour of cooking are required for preparing 'meals'. Mention the items required thus for producing things like shoes and a cot.
9. Is there any difference between the water in the river and the water in the house? If so, what is it?
10. Which statement is correct? -
    1) The chair is produced by the labour of carpentry.
    2) The chair is produced by labour.
11. Is it correct or not to say that things are made by human labour?
12. When we measure ghee and milk with a glass, are they liquids or solids? What about 'ghee' and 'maida flour' when we measure them

with a glass? what about 'ghee' and 'wheat' when we weigh them in a balance?

13. What is the difference in saying "bananas" and "2 bananas"?
14. Are the forms of 10 kgs. of paddy and 11 kgs. of grain the same?
15. What is the difference between saying, 'This blanket has been produced by 3 hours of labour' and saying, "This blanket has been produced by 3 kinds of labour"?
16. Give an example to say that, "The use-value has form and quantity as well".
17. Mention certain 'concrete labours' and alongside of them certain 'abstract labours'.
18. What is the similarity and what is the difference between a concrete labour and an abstract labour?
19. When does a concrete labour become an abstract labour?
20. How is it possible for labour to be both a 'concrete labour' as well as 'abstract labour'?
21. What is it that we are really doing when we are seeing equality of values?
22. When a blanket becomes a commodity, does the 'weaving labour' embodied in it alone lose its form? Do the labour of growing cotton and the labour of spinning yarn also lose their forms?
23. Only 2 of the following are correct. Which ones are they? If the 'productive power' increases:
    1) Labour-time in a thing increases.
    2) Labour-time in a commodity increases.
    3) The quantity of the use-values produced in certain period of time increases and the quantity of value remains unchanged.
    4) The concrete labour increases and the abstract labour decreases.
    5) The use-value in a thing remains the same, while the value decreases.
24. What is the main reason for 'division of labour'?
25. What is the function of an 'independent labour'?

26. Has 'cooking labour' emerged as an independent labour in India?
27. "If there is not even one person to make shoes for exchange, that labour cannot be said to have separated itself from other labours" - is it correct to say so or not?
28. Was tailoring a 'labour' or not even before it became an independent labour?
29. What is the source of 'material wealth' of society?
30. "The higher stage of human society is the society without labour" - is this statement correct?

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Chapter 3

Form of Value

We have seen that the value of an article (commodity) is the 'total labour' spent on that article. However, when we look at the article, will its value be seen as its features like shape and colour are seen? It is not visible. It is because labour does not reside in the body of the article. When we look at the chair, labour does not appear in it. That is, value does not appear. Similarly, if we look at the blanket, its value is not seen in it. Whatever article we may look at, its value does not appear in it.

1) How can we see the value of an article?

Then, how can we see the value of an article? How can we know the value which is not a bodily feature of the article? When does 'value' appear? The value of an article appears only when we put it in an 'exchange'.

The value of an article is what is given in return for it when it is put in an exchange. Only in this way will we be able to see 'value' and able to understand 'value'.

Let us suppose that an exchange has taken place between a chair and a blanket. What has happened to that chair and that blanket when there was an exchange? It means that blanket and that chair interchanged between 'chair-person' and 'blanket-person'. There is an interchange of articles from one person to another. That is what 'exchange' means. Exchange is completed when the article of one person goes to another person and vice-versa. If it is an exchange, there would indispensably be 2 articles instead of 1 in that transaction. The interchange of articles from one side to another is possible only if there are two articles. Which means: an 'exchange relationship' is established between 2 articles when they participate in an exchange. Here in our example an exchange relationship is established between chair and blanket.

When we speak of 'exchange' there would be 2 articles and hence when an exchange takes place, the value of not one article alone but the values of 2 articles must appear in an exchange.

In the exchange between chair and blanket, the value of chair as well as blanket should appear. What has happened here is also exactly the same.

Have you noted that the values of both chair and blanket appear in the 'exchange' that took place between the chair and blanket?

What has been received in return
for the chair is..... value of the chair.

What has been received in return
for the blanket is..... value of the blanket.

It means that:

Value of the chair is blanket.

Value of the blanket is chair.

Thus, we are now able to see the 'value'. Whatever article has been received in return for the chair, when chair was put in an exchange, is the value of the chair. Similarly, when blanket was put in an exchange, whatever has been received in return for the blanket is the value of the blanket.

Had this chair or blanket been put in an exchange, that is, had persons of those articles kept their articles for themselves and not exchanged, we could not have seen their values.

The value of the chair does not appear if we look at it separately. As the blanket is received in return to the chair when that chair is exchanged with the blanket, then the blanket itself constitutes the value of the chair. By looking at that blanket, we can say: "This is the value of the chair". That is, the value of the chair that did not appear earlier is now appearing in one form.

In what form? In the form of a 'blanket'. That is, the value of the chair is the blanket. The value of one article is another article.

If the chair is exchanged with a pair of shoes instead of a blanket, then that pair of shoes constitutes the value of the chair. Then the form of that pair of shoes will alone be the form of value of the chair. If the chair is exchanged with 1 bag of grain, then the value of the chair will be 1 bag of grain. The form of that bag of grain will alone be the form of value of the chair. Thus, whenever one article is given and another is taken, that second article will be the value of the first article. Which means: the value of one article is another article, which is exchanged with the first article.

The fact that "when one article (chair) is exchanged with another article (blanket), the second article constitutes the value of the first article" — implies that the value of the first article (value of the chair) is seen through the second article (through the blanket). Which means: it is imperative for the value of one article to be manifested through the form of another article.

The value of an article is seen only when it is exchanged with another article. Its value will not be seen if it is not put in an exchange. Then, 'value' as such will not possess any form.

Now, let us see, in a somewhat detailed manner, the relevant aspects of 'the form of value'. Hereafter let us abandon articles called 'chair' and 'blanket' and see the example involving '20 meters of cloth' and '1 coat'.

[While explaining the form of value, Marx extensively used the example: "20 meters of linen = 1 coat"]

Let us take '20 meters of cloth' as a 'commodity'. Let us suppose that the person with cloth exchanged his commodity with 1 coat. That is, there are 2 commodities (2 articles) in this exchange. They are commodities called 'cloth' and 'coat'. There is an exchange between them. The 'person with the cloth', got the 'coat' and the 'person with the coat' got the 'cloth'. When the person with the cloth took the coat, did he take

for free? Similarly, when the person with the coat took the cloth, did he take for free? No. Neither the person with the cloth nor the person with the coat took the second article for free. Both of them gave one article and only in relation to that article did they take another article. While, the person with cloth gave away his cloth and in return took one coat, the person with the coat also gave away his coat and in return took some cloth. Neither of the two took the article of the other side for free.

Whichever side we may see in this exchange, we find that the person of a given side considers the article which he got (in return for his article) as the value of his article. When the person with the cloth looks at the coat and thinks that "this is the result of giving my cloth", then it means that he is seeing the value of his cloth. He is considering the coat as the value of his cloth. The value of the cloth, that did not appear before the exchange, appears in the form of coat after the exchange. Similarly, it is the same case with the coat. When a person with the coat gave away his coat and took the cloth, it meant that he took the value of his coat and considered that cloth as the value of his coat.

In the exchange between cloth and coat :

Value of cloth	=	Coat
Form of value of cloth	=	Form of coat (The value of the cloth is in the form of the coat).
Value of coat	=	Cloth
Form of value of coat	=	Form of cloth (The value of the coat is in the form of cloth)

Now let us take 20 meters of cloth and 1 coat as a pair for exchange and see some points through this. Only if we understand these things we will be able to understand the use-value and the form of value.

1) 20 meters of cloth = 1 coat.

This means that an exchange is taking place between some measure of cloth and one coat. The fact that an exchange is taking place between the 2 commodities implies that whatever value the 20 meters of cloth has, the coat too has the same value. That exchange will not take place if their values are not equal. It means the value of these 2 commodities is the same. However, the form of value of these 2 commodities is not the

same. While coat is the value of the cloth, cloth is the value of the coat. Thus, though the two commodities are of the same value, the forms of their value are different. Each has its own different form of value.

2) 20 meters of cloth = 1 coat implies that 'cloth and coat are equal'. This 'equality' is not related to their physical properties. It is related to their 'values'. These 2 commodities are equal in 'value' aspect. This relationship is value relationship. Therefore, when we say that 20 meters of cloth = 1 coat, it means that the value of 20 meters of cloth = 1 coat. We say the same thing briefly as 20 meters of cloth = 1 coat, it does not mean that cloth and coat are the same and the physical properties of cloth and coat are the same.

3) When we say that 20 meters of cloth = 1 coat, it means that cloth is being exchanged with the coat. If cloth is exchanged with coat, it means that coat is also exchanged with cloth. It also means that if coat is the value of cloth, cloth is the value of the coat. Yet, we see only the value of cloth in the formula "cloth=coat". We are not seeing the value of coat in the same formula. However, we see the value of coat when we say "coat=cloth". It means, value of coat = cloth! In this second formula we see only the value of the coat and not the value of the cloth.

When we say "cloth = coat", the value of the cloth appears 'directly' while value of the coat appears `indirectly'. Similarly also when we say 'coat = cloth".

4) When an exchange takes place between 2 articles, a person who gives an article takes another article. If an exchange takes place between cloth and coat, coat is received as the value of cloth while cloth is received as the value of the coat. That is, one article exists as the value of another article.

It is correct to say that:

Value of cloth = Coat (or any other article)

It is not correct to say that :

Value of cloth = Value of cloth.

If we say 'Value of cloth = value of coat', we have to know first what the value of the coat in order to know what the value of the cloth. If we want to know what the value of the coat, it will be the value of another article. The value of that 'another' article will again be the value of yet another article. Thus this whole process will continue like this.

What is the value of 20 meters of cloth?
The value of cloth is nothing but the value of coat.

Then, what is the value of coat?
The value of coat is nothing but the value of blanket.

Then, what is the value of blanket?
The value of blanket is nothing but the value of chair.

Then, what is the value of chair ....?
.....?
.....?

Thus, there will be no end to these questions.

The value of an article can never appear in this manner. It is very wrong to understand value in this way. Therefore, instead of "value of cloth = value of coat", if we say "value of cloth = coat" (or any other article), we will be able to see an article as the value of cloth. The problem will be solved with one answer. In reality, the value of one article will be in the form of another article and not as the value of another article.

5) Value of cloth is coat (or any other article)" - is a possibility. "Value of cloth is cloth" - Is this possible? No. It is because cloth cannot be exchanged with cloth. No article would be exchanged with the same kind of article. It would be exchanged with another kind of article. Therefore, the value of one article will not be in the form of the same kind of article but of a different kind of article.

6) If the value of cloth is in the form of coat, it means that the value of the cloth is separated and away from the cloth. But, the use-value of cloth would not be divorced from the cloth. Such natural properties as weight, shape and colour, which constitute physical properties of an article, are not divorced from the article. They are integral parts of the article. But, as the value is not a natural physical property, its appearance outside the article is possible. To say that 'the person with cloth has given away the cloth' means, he has given away the use-value of the cloth. To say that 'he gave the cloth and took the coat' means, he gave up the use-value of the cloth and took the use-value of the coat. That is: value of the cloth = use value of the coat. This is the same case with coat also. To say that 'the value of the coat is in the form of cloth' means, the value of the coat is away and divorced from the coat. Only, the use-value of the coat

would remain with the coat. The person with the coat also gave up the use-value of the coat and took the use-value of the cloth.

7) 'Value' does not possess a natural form. Hence, in order for value itself to appear, it has to resort to some article which has a natural form.

For abstract things to appear in a concrete form, the only way is to assume the forms of concrete things and appear through them. The same thing happens in the case of the appearance of 'value'. To say that 'the value of the cloth is appearing as the coat' means, the value of cloth which does not have its own form is manifested in the form of the coat. The value of cloth, which is an abstract labour, appears through a concrete labour called 'stitching' that exists in the coat. Thus, the value of one article appears in the bodily form of another article.

8) If cloth is exchanged with a coat:

Value of the cloth is : the coat.

If cloth is exchanged with a chair:

Value of the cloth is : the chair.

If cloth is exchanged with a pair of shoes:

Value of the cloth is : the pair of shoes.

If cloth is exchanged with a given article:

Value of the cloth is : that given article.

The form of that article is : the form of the value of the cloth.

The same is the case with any article.

The form of value of an article depends upon the exchange relation into which that article enters with another article. Therefore, the form of value of an article is always a relative form (the form which is assumed by an article depending upon its relation with another article).

The full name of 'value' is Exchange Value.

'Form of Value' means 'form of exchange value'.

As this form is assumed depending upon the second article, its full name is 'relative form of exchange-value'.

We call it 'form of value' in short.

9) When we say that "cloth=coat", the cloth and the coat are not in the same kind of positions. They are not playing the same kind of roles.

The cloth is playing the role of an article which shows its value thus: "my value is...." But the coat, instead of showing its value as "my value is.....", is functioning as the value of the cloth saying thus: "I am the value of the cloth". Similarly, also when we say "coat = cloth", their roles get changed. Now, while the coat is in the position of showing its value, the cloth, at the same time, stands in the position of 'value of the coat'. It means that when we say "cloth=coat" or "coat=cloth", the positions of "cloth and coat" are not of the same kind but different positions.

Let us suppose that we have to weigh the bread. If we hold the bread and assess it informally, we will know whether its weight is less or more. But, if we want to weigh it exactly, we have to put it on a weighing scale. Let us suppose that on the weighing scale, there is bread on one side and a half kilo weighing stone on another side. Here what is the article whose weight is indicated? Bread or weighing stone? It is the bread, not the weighing stone.

The relationship between bread and weighing stone is a 'relationship of weight'.

Bread is in the position of determining its weight. This is 'relative' position. Bread which is in this position tells its weight through its relation with the weighing stone.

Weighing stone does not tell its own weight. It tells the weight of the bread by virtue of its own character. It stands in the position of the weight of the bread. This is the 'equivalent' position. ('Equivalent' means 'equal in measure').

These 2 articles which are in a 'relationship of weight' stand in different positions and play different roles.

Similarly, if we place 'rope' and a 'meter scale' in a relationship of length:

Rope will be in the - Relative (measured) position and
Meter scale will be in the - Equivalent(measuring) position

Similarly, if we take value relationship of 2 articles:

One article would be in - Relative position
Another article would be in - Equivalent position

20 meters of cloth = 1 coat

Relative Position Equivalent Position

1 coat = 20 meters of cloth

Relative Position Equivalent position

Till now we have seen certain things about 'form of value'. When one article is exchanged with another article, the second article itself is the value of the first article. The form of that second article itself is the form of the value of the first article. Thus, we know what is meant by 'form of value'.

But, then, what is meant by 'quantity of value'?

2) 'Quantity' of Value

'Quantity' means 'size'. As some article serves as a value, whatever size that article has, that size will be the quantity of value. If 1 chair is exchanged with 10 kilos of grain, that grain itself constitutes the 'value of the chair'. The quantity of that grain, that is, 10 kilos, is the quantity of that value. The form of that grain is the form of that value. If the chair is exchanged with 8 kilos of grain, it means that both the form as well as the quantity of value of the chair have changed.

Let us suppose that if 1 chair of a particular kind is given, we get 10 kilos of grain. Whenever that kind of grain is exchanged, does it mean that the proportions of those commodities would be the same? No. Whenever the productivity of those chairs changed or whenever the productivity of the grain changed, the proportions of the exchanges of those commodities would change. Those proportions may be formed in various ways.

1) Let us assume that the productivity of grain has increased while there is no change in the productivity of the chair. Then the total labour in '1 kilo of grain' decreases while the total labour in '1 chair'

does not change at all. (It means that the value of grain has decreased while the value of the chair has not changed at all). Hence, then, we get more than 10 kilos of grain in return for '1 chair'.

2) Let us assume that the productivity has decreased while the productivity of the chair has not changed at all. Then, we get less than '10 kilos of grain' for '1 chair'.

3) Let us assume that the productivity of the chair has increased while the productivity of the grain has not at all changed. Then, we get less than '10 kilos of grain' for '1 chair' since the total labour in a chair decreases. Similarly, if the productivity of chair decreases while the productivity of grain does not at all change, then we get more than 10 kilos of grain for 1 chair since the total labour in '1 chair' increases.

4) Let us assume that the productivity of both the chair and grain increases in the same proportion. Then the labour in the 2 commodities decreases in the same proportion. Which means: the amounts of labour in both the commodities would now be equal to each other. However, the fact that the productivity and the values of those commodities have changed does not appear in the relation of these commodities. It is because the proportions of these commodities "1 chair = 10 kilos of grain" remain as earlier even after the values have changed. Now, if we put the chair in an exchange relation with certain commodities (other than the chair) whose productivity has not changed, we will find the change in the value of the chair. If we put the chair whose value has changed in relation with the commodities whose value has not changed, the quantities of commodities that we get in return for the chair would certainly change and hence it would be known whether the value of the chair has changed and if so how much. The same is the case with the grain also.

5) Let us assume that the productivity of all the commodities in society has increased uniformly. Then, what will be the quantity of value of 1 chair? It does not change at all. Then also, we get 10 kilos of grain for '1 chair'. In such a situation, the question as to whether total labour in the chair has changed or not (whether the value of the chair changed or not) will have to be approached through its productivity. The answer will be known by looking at the difference between the amount of time that was then necessary and that is now necessary for making 1 chair.

What we have to learn from all these examples is that, when we put a commodity in exchange, the quantity of the second commodity that we get in return for the first commodity will not always be the same.

If the labour time of a commodity (which we put in an exchange) changes or if the labour time of the other commodity (with which the first commodity is exchanged) changes, that is if any one of these two things happens, then the quantity of the commodity which we get in return to the first commodity would be either greater or less.

The fact that commodities, in an exchange, are found in certain specified quantities is simply an accidental phenomenon. When we say that there is an exchange between '1 chair' and '10 kilos of grain', the fact that the chair is of a particular size and the grain is of 10 kilos weight depends upon the values of those commodities. Those 2 measures matched with each other since the same amount of value was there in both 1 chair as well as 10 kilos of grain. Those measures are still accidental proportions and there is no rule as such that the measures should always remain the same. Their measures change if the value of even one commodity changes. The essence of this is that while exchanges take place between commodities, the quantities of those commodities change according to their values only.

Questions :

1. Give two examples for the equation: the value of commodity = another commodity only.
2. In what form does the value of a commodity exist?
3. An exchange took place between 10 kgs of paddy and 15 kgs of maize. What is the form of value of maize?
4. There are 100 batavia fruits in the basket. What is their value?
5. 12 bananas = 20 lemons. Later the value of bananas got reduced to half. Now, how many lemons constitute the value of 12 bananas? Now, how many bananas constitute the value of 20 lemons?
6. 1 pen = 2 pencils. A year later, both their labour-times got reduced by one quarter. How many pencils constitute the value of 1 pen?
7. Only one is correct among the following - Which is it?
   1) Value of Cloth = Value of Coat
   2) Cloth = Value of Coat
   3) Value of Cloth = Use value of Coat
   4) Use value of Cloth = Use value of Coat

8. Which of the following is right and which is wrong?
   1) The values of commodities appear only when exchange takes place.
   2) The value of a commodity is the value of another commodity only.
   3) The value of a commodity appears in the form of that commodity with which it exchanges.
   4) 'Value' and 'form of value' mean the same.
   5) We cannot express the value of a commodity without relating it to another commodity.
   6) Kilo-weight stone and metre-scale stand in the relative position.
   7) We can notice the use-value and the value of a commodity in the body of that commodity only.
   8) The value of a commodity is, only the total labour spent for it.
   9) There will be only 1 commodity in an exchange.
   10) There will be use value only when there is value.

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Chapter 4

'Elementary' form of Value

Articles did not yet have 'value' during the time when exchanges had not yet begun in human society.

In the ancient tribal society whereof human beings living in bands, articles, which were produced in one clan, existed only as use-values for the members of that clan. The articles which they produced and which satisfied their wants constituted their necessaries of life. They did not know any other wants. Many thousands of years had elapsed in human society without reference to exchange of articles (that is acquiring from other areas articles which they did not have).

'Exchange of articles' came into existence at some stage in the course of development of society. It came into existence when society felt the need for it. People of one clan giving their article to the people of another clan and taking another article in return, implies taking the value of the article given. Which means: the moment at which this exchange started, exchange value too started at the same moment. As the exchange started, articles that had hitherto existed simply as Use-values began to acquire an "external characteristic" called "value". As both the articles in an 'exchange' are made of human labour (otherwise exchange does not at all take place), beginning of exchange implies beginning of conversion of "labours" (that made those articles) into "values" (of those articles). Articles, which were without 'value' until then, are now becoming articles with 'value' (Commodities).

It does not mean that humans know about 'labour' and 'measure of values' at the time when exchanges began. Humans began to exchange their articles only in order to satisfy their wants. In the beginning, they did not know any value measures. They knew only giving. It does not mean that humans knew about'labour' and 'value measures' on that very day when exchanges began. Humans began to exchange to others whatever articles the others needed and taking from others whatever articles they themselves needed. There was no question of matching of the 'value' between the article given and article taken. There was no notion of 'value' among humans for a very long time. Thus, we may assume that in the early days of exchanges, there used to be exchanges between articles made of more labour and articles made of less labour. This meant that exchanges of that time were not based on the principle of 'equality of value' but arbitrariness and chance.

For exchanges to begin, it is not necessary to know the basis of those exchanges. If one article is given and another article is taken, it is tantamount to an exchange. Even if the persons who conduct exchanges do not know about the value, the beginning of exchanges implies the beginning of 'value'.

Though it may not be known as to which article is equivalent to which article in the beginning stage of exchanges, humans would gradually get to know, based on the experience of producing articles, which articles are easy to produce or which article is difficult to produce; and which article could be exchanged with which article. 'Knowledge of value' relating to the commodities produced in a given society is acquired by

the members of that society only through experience. Based on that, proportions of exchange of commodities are approximately determined.

To say that humans had acquired the knowledge of value does not imply that the fact that "value means labour only; the total labour embodied in an article constitutes its value" was already known then itself. Though people did not know what value was, awareness that articles had something called 'value' began while exchanging articles. It would be known that the earthen pot had less value, wooden plank had a little more value and grain had still more value; thus one would come to know which article was of less value and which was of more value.

"The value of this article is more and the value of that article is less" - if this is how people are thinking, then it means that those people are speaking of labours of articles without being aware of them. Humans' 'awareness of value' had remained in a very vague situation for several thousands of years even after exchanges had begun.

We have seen that, when one commodity is exchanged with another commodity, the value of the first commodity would assume the form of the second commodity. The form of value, which thus began gradually, developed into 'money'. Till now, we have not used the word 'money'. As the butterfly evolves from pupa stage and passes through some stages, the form of value, right from its birth passed through some stages and developed into 'money form'. It means that value of a commodity has transformed in such a way that it appears in the 'form of money'. Since then, 'money form' itself had established as 'value form'. Therefore, in order to see what 'money' means, we have to go on carefully examining the evolution of the form of value. Hereafter, we have to see how form of value has been changing and developing and finally how it has transformed into 'money'.

Let us assume that during the beginning period of exchanges, two commodities formed into one 'exchange pair'.

E.g., Bow = Bull's skin - One exchange pair.
Pot = Shoes - One exchange pair.

The articles in one pair exchange only between themselves. It means that articles in one pair are not exchanged with the articles of any other pair. As the bow and bull's skin constitute one 'exchange pair', bow is exchanged only with the bull's skin and cannot be exchanged with either pot or shoes or any other article. Similarly, bull's skin is exchanged only

with the bow and cannot be exchanged with either pot or shoes or any other article. This is the same case with the articles in the second pair. If we assume that there were on the whole 100 kinds of articles in the then existing society, it means that those articles were in 50 exchange pairs. The article in one pair could not be exchanged with any article in any of the remaining pairs. We have to assume that this is what exactly happened in the early days when exchanges began.

If the person who has bow wants bull's skin, he could give his bow and take bull's skin. However, he cannot get any other article except this. If he wants pot or pair of shoes he cannot get them through his bow. It is because, bow has its exchange relationship only with bull's skin and with no other article.

If a person wants a pair of shoes, he has to make and give that commodity by means of which he can get shoes, and only then can he get shoes. It is not possible for that person to get shoes by giving some commodity, which he has with him.

Thus, the form of value which appears when one commodity is exchanged with another single commodity is an 'elementary form of value' (The first form of value). It is the form that was existing in the earliest stage in which value was newly born.

1) Some points relating to the elementary form of value

1) Let us suppose "pot = a pair of shoes" as one 'exchange pair'. Their exchange ceases once an exchange takes place between them. The person who gave pot and took pair of shoes has to use shoes for himself and is not possible for him to give it and get another article because the pair of shoes cannot be exchanged with any other article except pot. If it is to be exchanged, he should again give it to another and get a pot. Therefore, the exchange life of commodities in an exchange pair ends once an exchange takes place. Thereafter they remain as use-values.

2) In the stage when one commodity is exchanged with another single commodity, each commodity would have only one equivalent. In the exchange pair "pot = a pair of shoes", the only equivalent of a pot is a pair of shoes. Similarly, the only equivalent of a pair of shoes is a pot. Which means: the value of the pot is seen only in the form of shoes and similarly the value of shoes is seen only in the form of a pot.

Value of the pot - a pair of shoes only
Value of shoes - a pot only

The same is the case with commodities in other exchange - pairs.

If 'value' is seen in only one form, that form is the 'elementary form of value'. It means that, when exchanges were in this form, the form of value was in its first stage. There is no such question as: "what is that commodity which possessed this form of value in the elementary stage?" The same is the case with any commodity. Any commodity would be exchanged with only one commodity. Any commodity would have only one equivalent. Any commodity would have only one form of value. Therefore, it means that the form of value of any commodity is in the first stage only.

As there was no 'value' at a time when exchanges had not yet begun in society, the form of value was also not there at that time. In such a society, there began exchanges between 2 commodities in each pair and thereby value and value form began. In an exchange-pair, the value of one article is the second article only. The value form of one article is the form of second commodity only. Thus, the form of value in its elementary stage is the form of value in its 'infant stage'.

A baby just born from the mother's womb is also a human being. But, that baby is still a little human being, a human being in its 'infant stage'. That baby has to grow and develop into a complete bodily form.

Similarly, this elementary form of value which is in its infant stage needs to develop into a complete form.

3) When we say 'pot = a pair of shoes', it means the value of the pot is in the form of a pair of shoes while the value of a pair of shoes is in the form of a pot. This means, in this elementary stage, the form of value of one commodity is not similar to the form of value of another commodity. Each commodity still has its own and different form of value.

4) When the form of value is in the elementary stage, a pair of commodities alone acquires 'Qualitative equality' and 'quantitative proportionality'.

2) Qualitative equality

Let us assume that, in the society, there are 100 kinds of articles and they are formed into 50 pairs. Then, only 2 articles in a pair will have an exchange relation (value relation) and they will not have an exchange

relation with the remaining 98 articles. As these two articles are exchanged with each other, pottery and shoe-making will be proved to be possessing 'value'. That these two kinds of work have one 'equal characteristic' is also proved. Here equal characteristic means the characteristic of being a 'value'. This alone is 'qualitative equality' of these labours. 'Equality' in 'quality'. Here, 'Quality' means 'to become a value'. The fact that pot-making labour and shoe-making labour are equal is proved only when pots and shoes, which are made of those labours, are exchanged with each other. (If those articles are not exchanged with each other, the equality of those labours will not be proved). If people think "it is possible to take shoes by giving pot and vice versa"; and "both these articles are equal", then they are seeing the 'values' of these articles. It means that they are treating both these labours as equal without being aware of it.

However, as the 2 articles in an 'exchange pair' do not exchange with the other 98 articles, the situation is still such that the fact - that those 2 labours and the other 98 labours are equal (all labours are equal) - is not yet proved.

When we look at any exchange pair, the 2 kinds of labour in that pair appear as equal but the fact that "all labours are equal" does not yet appear here.

In fact the then existing 100 commodities were made of labours. All those have the quality called "labour". Every commodity is like all other commodities. All are equal in existing as 'value' (in possessing the quality called 'value'). Yet, as exchanges are not taking place among all, the fact that "all labours are equal" does not reveal itself. This means, 'equality of labours' does not appear yet.

3) Quantitative proportionality

When 2 commodities are exchanged, those 2 commodities need to have 'measures'. Let us suppose an exchange is to take place between cloth and grain. Between how much cloth and how much grain? Is it 2 kilos of grain or 3 kilos of grain for 1 meter of cloth? 'How much' grain is necessary? Similarly, if we look from the side of grain, how much cloth is necessary for 1 kilo of grain? 1 meter or 2 meters of cloth? How much cloth is necessary? Thus, if an exchange between cloth and grain has to take place, both cloth and grain should have 'measures'. This is the 'Quantitative Proportionality' of the commodities in an exchange. Which means: their 'quantities' are in certain specified proportions.

In a stage wherein one commodity exchanges with another single commodity only, the quantitative proportions form only for those 2 commodities and not for the other 98 commodities. It is because they can not be exchanged with other commodities. It means that, when two commodities exist as an 'exchange-pair'. 'Qualitative equality' and 'Quantitative proportionality' are formed only for those 2 commodities.

4) Limitation of 'elementary' form of value

Pot = a pair of shoes - This is 1 exchange pair. We may give pot and take shoes. Similarly, we may give shoes and take pot. That's all. 'Exchange relation' is only between those two commodities.

Then, in this situation, if we want to take grain by offering pot? Or if we want to take jaggery? It is not possible. It is because, the pot will not have exchange-relation with any commodity other than shoes.

The same is the case with 'shoes' also. It is not possible to get any commodity other than pot through shoes.

This means, in a situation wherein one commodity is exchanged with another single commodity only, it is not possible to get whatever commodity we want. This is the limitation of 'elementary form of value' (limitation in that stage). We will see how this limitation transforms itself in the successive stages.

Questions :

1. When might 'exchange value' have begun?
2. What is the 'external characteristic' acquired by a commodity?
3. Is it correct to say that labour acquired value the moment exchange began?
4. What is the larva stage of the 'form of value'?
5. What is 'elementary value'?
6. How many exchanges take place for each commodity when the 'form of value' is in the elementary stage?
7. How many equivalents does each commodity have in the 'elementary form of value'?
8. Is every 'thing' expected to become a commodity when value-form is in the elementary stage?

9. What is the 'qualitative equality' of labours?
10. What are the meanings of the terms: 'exchange-relation', 'labour-relation', 'qualitative relation' and 'value-relation'?
11. 1 bow = 2 pots. What is the 'qualitative equality' between these commodities? What is the 'quantitative proportionality'?
12. "There is qualitative equality between 20 m. of cloth and 1 coat" - what does this mean?

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Chapter 5

'Expanded' form of Value

In the 'elementary form of value', we have seen an exchange relationship between two commodities only. It is a relationship in which one commodity is exchanged with another single commodity only. Now, let us see a relationship in which one commodity is exchanged with several commodities.

If 20 meters of cloth is exchanged not simply with coat but with many other commodities?

1) 20 m. cloth = 1 coat
2) 20 m. cloth = 8 pairs of shoes
3) 20 m. cloth = 10 pens
4) 20 m. cloth = 25 kgs. of grain
5) 20 m. cloth = 2 gms of gold

If exchange relationships are like this, what does it mean? It means that 20 meters of cloth is exchanged now not only with a coat but also shoes, pens, grain and gold. That is, the value of 20 meters of cloth is seen not only in the form of 1 coat but also 8 pairs of shoes, 10 pens, 25 kilos of grain and 2 grams of gold. Which means: in the form of any commodity with which cloth is exchanged. To make our example simpler, we chose only 5 kinds of commodities in relation to the cloth. However, it does not mean that cloth is exchanged with only 5 kinds of commodities.

It means that cloth is exchanged with all the commodities (with any other commodity) other than the cloth in the society.

Assuming that there are 100 types of commodities on the whole in society, the cloth will now exchange with the remaining 99 types of commodities. Now, the cloth has all the remain commodities as its equivalents. Which means, the cloth will now have 99 equivalents. That is, it will have 99 forms of value. The value of the cloth will now apper in many forms. It appears in the form of a given commodity with which it exchanges.

Of the persons who produced cloth, one may exchange his cloth with coat, another with grain, the third person with jaggery and the fourth one with shoes. In this way, cloth is exchanged with different kinds of commodities.

This situation is not specific to cloth alone. It applies to any commodity in the society. Each one of the commodity is exchanged with the remaining 99 commodities. Each commodity will have 99 equivalents. That is 99 forms of value.

So, what change has taken place now?

The situation, wherein one commodity is exchanged with another single commodity only, now no longer exists; one commodity can now be exchanged with any number of commodities. That is, any commodity is exchanged with any other commodity.

Now, value (value of any commodity) appears not in one form alone but in several forms. It means that the form of value has now expanded. This is the expanded value form. Expanded form of value.

1) Some points concerning expanded form of value

1) Transformation of the situation wherein one commodity is exchanged with another single commodity only - into a situation wherein any commodity is exchanged with any other commodity - is a 'development' in the world of exchanges. We have to assume that this change has taken place gradually. Let us assume that pots were once exchanged only with grain and they gradually began to be exchanged with cloth also. Thenceforth, one could take either grain or cloth by giving pot. That is, now, the pot begins to have '2 equivalents'. This goes on for some time. Then, let us assume that pot began to be exchanged with shoes also. Thenceforth pot would have '3 equivalents'. Thus emerges a

situation whereby one commodity gradually begins to be exchanged with 2 kinds of commodities, 3 kinds of commodities, 4 kinds of commodities and finally with any kind of commodity. Now, the situation where in "only 2 commodities constitute one exchange pair" has changed. We have to assume that the system whereby a commodity is exchanged with any commodity has established itself gradually in the society. The development of 'elementary form of value' itself constitutes 'expanded form of value'.

2) "How is 'Expanded form of value' more developed than 'Elementary form of value'? "Or let us see this question in other words: "How is 'an exchange between one commodity and any commodity' more developed than 'an exchange between one commodity and another single commodity only'?" The answer to this is implicit in question itself. If pots are in a situation wherein they are exchanged only with grain, then we will be able to get only grain through pot. We cannot get any other commodity except grain. Instead, if pot is in such a situation wherein it is exchanged with any commodity, it will be possible to get whatever commodity we want. Therefore, 'Expanded form of value' is more developed than 'Elementary form of value'.

3) We observed a shortcoming in the 'Elementary form of value'. The shortcoming is this: one commodity is exchanged with another single commodity only and it cannot be exchanged with more than one commodity. This shortcoming is eliminated in the expanded form of value. The past limitation is overcome by the possibility that one commodity could be exchanged with any other commodity. However, when the elementary form of value gets rid of its shortcomings and develops into Expanded form of value, it does not mean that elementary form of value has completely vanished. There is a 'positive aspect' in the 'Elementary form of value'. That aspect is retained in Expanded form of value also. That aspect in this: when exchange takes place, it exists as a 'relation between 2 commodities' only. This is a necessary and natural aspect of exchange. This aspect is also present in the Expanded form of value. Though it is possible for a commodity to be exchanged with any other commodity, each exchange exists as a 'relation between 2 commodities' only. But it does not exist as a relation among several commodities. This is how it happens: the person who makes pots brought grain by giving the pot. But, before using it, he wanted cloth and hence gave that grain and brought the cloth. Which means: here grain has been exchanged twice. Firstly, with the pot and secondly with the cloth. As there is an opportunity for a commodity to be exchanged twice, it was possible to exchange grain

twice with 2 kinds of commodities. However, these two exchanges of grain did not take place simultaneously. The grain was exchanged with one commodity first and it was exchanged with another commodity only later. If that grain, without being spent as a use-value, is exchanged with 4 kinds of commodities on 4 occasions, even those exchanges are made one after the other. Which means: a commodity may be exchanged with any number of commodities, but all those exchanges do not take place simultaneously. One commodity is not exchanged with all commodities simultaneously. Each of its exchanges exists as an exchange between 2 commodities only. This aspect of elementary form of value that is retained in Expanded form of value has not newly come into existence from somewhere. Elementary form of value got rid of a shortcoming and having developed, it became Expanded form of value. Therefore, it means that the features of elementary stage did not vanish even after the form of value developed into expanded stage.

4) We have seen that a commodity has only one 'equivalent' in the 'Elementary form of value' and several 'equivalents' in the 'Expanded form of value'. They are as follows:

In the 'Elementary form of value':

20 m. of cloth = 1 coat

Relative Position Equivalent position

Here as there is only one equivalent for the cloth, the value of the cloth is only in one form.

In 'Expanded form of value':

20 m. of cloth = 1 coat
= 8 pairs of shoes
= 10 pens
= 25 kgs. of grain
= 2 gms of gold

Relative position Equivalent position

Here there are several equivalents for the cloth. Now, the cloth can reveal its value not simply in the form of only one commodity but in the form of any commodity. That is, now the value of the cloth is seen expanded in several kinds of forms. Therefore, all the forms of the

equivalents that stand in front of the cloth constitute 'Expanded form of value'.

5) In the elementary stage, each commodity will have its own separate form of value. Let us see here whether each commodity has its own different form of value even in this Expanded form of value. Let us take 3 commodities, namely, 20 meters of cloth, 1 coat and 2 grams of gold and see the equivalents for each of these commodities.

(1) 20 meters of cloth = 1 coat
= 2 grams of gold

(2) 1 coat = 20 meters of cloth
= 2 grams of gold

(3) 2 grams of gold = 20 meters of cloth
= 1 coat

Note the difference between the equivalents of one commodity and another. Equivalents of one commodity are not the same as those of any other commodity.

In the equivalents mentioned against the cloth - there is no cloth; there are coat and gold.

In the equivalents mentioned against coat - there is no coat, there are cloth and gold.

In the equivalents mentioned against gold - there is no gold; there are cloth and coat.

If we assume that the 'totality of the equivalents' constitutes 'Expanded form of value', the form of value of one commodity is not similar to that of another commodity.

Let us assume that there are 100 commodities in total in the society. The equivalents of any one of those commodities consist of all the commodities other than the commodity in question. Therefore, the totality of equivalents of one commodity is not the same as that of another. Which means: the value form of one commodity is not the same as that of another. It means that in the Expanded stage also, each commodity has its own different form of value as was the case in the elementary stage.

6) In the Elementary form of value, we have seen that, as there is an exchange relation between one commodity and another single commodity only, the two labours in one pair alone acquire qualitative equality and

the bodies of those commodities acquire quantitative proportionality. However, in the Expanded form of value, as one commodity is exchanged with all commodities, the labour which made that commodity acquires 'qualitative equality' and 'quantitative proportionality' with all other labours.

When cloth is exchanged with coat alone, the labour of weaving acquires equality only with tailoring. When cloth is exchanged with all commodities, weaving acquires equality with all labours.

This situation applies not only to 'weaving' labour. It applies to each and every labour.

In the 'expanded form of value':

Weaving - equal to all other labours.

Tailoring - equal to all other labours

Carpentry - equal to all other labours.

Thus, each labour is equal to other labours.

Establishment of relations by one labour with all labours implies establishment of relations by that labour with the world of commodities. Now, every commodity is a citizen in the world of commodities. That is, each labour is a citizen.

Weaving labour	-	a citizen
Tailoring labour	-	a citizen
Mining labour	-	a citizen

As a citizen has the right to stand as an equal with other citizens, a labour now has the right to stand as an equal with other labours.

To say that one labour is equal with other labours means all labours are equal with each other. However, that fact (the fact that all labours are equal) does not appear clearly at this stage. This will be properly understood when we see the chapter on 'General form of value'.

2) Limitations of the 'expanded' form of value

One commodity used to be exchanged with another single commodity only when the value form was at the elementary stage. This is a shortcoming of elementary form of value. This shortcoming was

overcome and the Expanded form of value emerged. However, even this stage has some limitations. They are:

1) The 'expression of value' is not complete in the Expanded form of value. That is: it is not possible to see the value of a commodity in a complete form at this stage. To see this, let us assume that there are 100 kinds of labours in the society. Cloth is a commodity among them. The cloth will have 99 equivalents. That means, the value of the cloth is seen in 99 forms. Then, is it possible to say that "value of the cloth exists only in these 99 forms and not in any other form?" If there are only 100 kinds of commodities in the society, then we could say that the value of labour is in the 99 forms only. But the world of commodities does not always consist of only 100 commodities. Let us assume that a new kind of commodity (new use-value) came into existence after some time. Then what happens? Then the cloth will have 100 equivalents. Then the value of the cloth will appear in 100 forms. Which means, the value of the cloth has now acquired another new form. Similarly, whenever new forms of commodities emerge in the society, the forms of value of the cloth go on increasing. We cannot say the definite limit of the totality of the forms of value of cloth thus: "the value of the cloth exists in these 100 forms only, in these 200 forms only and not in any other form". Until we say that "this alone is the form of value of the cloth and there is nothing else", we cannot say that the form of the value of the cloth is expressed completely. This is not there in this Expanded stage. Therefore, the expression of the value of a commodity at this stage is "incomplete". This is the shortcoming of the expanded form of value.

2) The exchange relations of a commodity with all other commodities are seen in the expanded form of value. However, the fact that other commodities too have such relation is not seen. This is the second limitation. Let us see this by an example. Let us take 2 equivalents against the cloth (let us treat these 2 equivalents as several equivalents).

20 meters of cloth = 1 coat.
= 2 grams of gold.

Here cloth is in the relative position. Coat and gold stand as equivalents of the cloth. Here, we are seeing the value of the cloth and not the value of its equivalents (not the values of coat and gold).

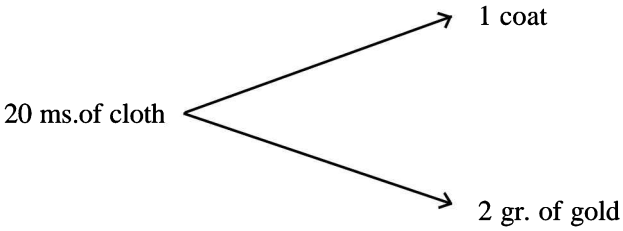
What is seen in this example?

Cloth exchanges itself with the coat. That is, the fact that both cloth and coat have an exchange relation is evident here.

Cloth exchanges itself with gold. That is, the fact that there is a relationship between cloth and gold is also evident.

Well, is it evident from this example that coat and gold have exchange relation? It is not evident. Why?

Let us see these relations as follows:



Here, the relationship between cloth and coat is evident.

The relationship between cloth and gold is also evident.

However, the relationship between coat and gold is not evident.

In fact, to say that the cloth has exchange relationship with coat and gold, means that such a relationship is there also between coat and gold. However, that is not evident here. Because: we are looking at the relationships from the side of the cloth. Those relationships are separated from each other.

The relation that cloth has with the coat is - a separate relation.

The relation that cloth has with gold is - another separate relation.

As we are seeing the relations of the cloth separately, the fact that 'coat and gold too have a relation' - is not seen.

But how to view the matter if that relation too is to be seen? This is how we have to view it:

The relation of cloth with coat, and
the relation of cloth with gold - are meeting at one point. Where? At the cloth. That means: if we see from the side of coat and gold (if we see from the side of several objects) instead of from the side of cloth (instead of from the side of one object), then the relations of all objects

will be seen from either side. But if we see like that it won't be 'expanded form of value'. It would be 'general form of value'. We will see it later.

'Expanded form of value' means exchange of one object with all objects (not all objects exchanging with one another). Therefore, we have to see here only those things that appear in the 'Expanded form of value'.

Here, one object exchanges with all objects.

That is, what appears here is simply that one labour is equal to all labours. However, the fact that all the labours are equal with one another (all labours are equal) is not evident here.

As the 'relations among all commodities' are not seen in the Expanded form of value, relations among all labours are also not seen. It means that: the fact that "all labours are equal in the sense of existing as values" is not evident here. This is the second limitation of Expanded form of value (This point will be understood more clearly in the chapter on "General form of Value").

3) Let us see how exchanges take place in the daily life when Expanded form of value exists in the society. Expanded form of value implies the possibility of one commodity exchanging itself with any commodity. Let us suppose that there is some cloth with the weaver. He wants corn. He takes his cloth and goes to the person possessing corn. That exchange takes place if the person with corn wants cloth. Then the person with the cloth takes some corn and goes back home. But, if the 'person with the corn' does not want cloth? Then, how should the weaver get corn? The weaver says to the 'person with corn' thus: "Tell me what commodity you want. I will get the commodity you want and take your corn".

Let us suppose the 'person with corn' asked for 'shoes'. The weaver takes his cloth and sets out to get shoes for this cloth. The weaver goes to the shoemaker and tells him thus: "Take my cloth and give me a pair of shoes. I have to take these shoes to the person with the corn, give him the shoes and get corn from him". If the shoemaker wants cloth, that exchange takes place. But let us suppose the shoemaker does not want cloth. Then how does the weaver get shoes? He won't get corn if he doesn't get shoes. Therefore, then the weaver says to the shoemaker thus: "Tell me what commodity you want. I will get the commodity you want and get shoes from you. I have to get corn with them".

Suppose that shoemaker says that he wants jaggery. The weaver carries his cloth under the armpit and starts to the person with jaggery. He has to get jaggery, give it to shoemaker, should get shoes and give it to the person with corn. When will the weaver get corn if this is the way to get it? He (the first person) has to first catch hold of the person (second person) who wants his cloth (first commodity). Later he has to catch hold of the person (third person) who wants the commodity (the second commodity) which he took from the person whom he gave his cloth (second person). Again, he has to catch hold of the person (fourth person) who wants the commodity, which he took from the third person. Only if he performs these feats, he may get it by then or even then he may not get it.

When we say that a commodity exchanges itself with any other commodity, it means that there is a possibility for an exchange but not that it would definitely exchange itself.

In Expanded form of value, there is at least a possibility of getting any commodity through a commodity. If such possibility were not there, it would not be possible even to try. But, there is no way for a commodity-owner to get another commodity without any difficulty simply because there is a possibility to get it. Though it appears that there are 3 limitations of Expanded form of value, the essence of all the three is the same. All the three constitute a shortcoming.

Questions :

1. Why did 'expanded form of value' get that name?
2. Why did the 'elementary form of value' change into 'expanded form of value'?
3. 1 coat = 20 m. of cloth
   = 2 gr. of gold.

   What form of value is this? Why?
4. A commodity has 49 equivalents. Then, how many commodities are there in that society?
5. What changes took place in the exchanges, due to the expanded form of value?

6. "The elementary form of value is also part of the expanded form of value" — what does this mean?
7. 1 pen, 1 chair, 1 umbrella and 1 blanket — these four commodities have equal values. How will the form of value of each commodity be when exchanges take place between them?
8. The fact that a labour has qualitative equality with all other labours appears in the 'expanded form of value'. Why?
9. Take any 4 commodities and write how the expanded form of value will be for each of them.
10. The person with cloth wants a pot. The person with pot wants shoes, the person with shoes wants maize and the person with maize wants cloth. How will the person with cloth get the pot?
11. Which commodities are in the 'relative position' and which commodities are in the 'equivalent position' in this example:

    1 coat = 20 m. of cloth.

    2 gr. of gold = 20 m. of cloth.
12. What is the main limitation of the 'expanded form of value'?

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Chapter 6

'General' form of Value

In the 'Elementary form of value', a commodity used to exchange itself with another single commodity only. That inadequacy had gone and the form of value developed to some extent and became the 'expanded' form of value. But, we saw that, even in the expanded form of value, there were some inadequacies. The form of value developed further so as to overcome those limitations also, and became the 'General form of value'. We will now see how that change occurred.

If cloth exchanges itself with a coat, it means that the coat also exchanges itself with cloth. If cloth exchanges itself with several

commodities, it means that those several commodities also exchange with the cloth. An equation implies its opposite equation also in itself.

In the elementary form of value:

20 meters of cloth = 1 coat

Here, cloth is a commodity that expresses its value. The coat is the equivalent of cloth. What is its opposite equation?

1 coat = 20 meters of cloth.

Now, the coat is a commodity that expresses its value. Cloth is the equivalent of coat.

In the Expanded form of value:

20 m of cloth = 1 coat
20 m of cloth = 8 pairs of shoes
20 m of cloth = 10 pens
20 m of cloth = 25 kgs. of grain
20 m of cloth = 2 gms of gold.

Here cloth is a commodity that expresses its value. The 5 commodities, standing opposite to it, are its equivalents (we have to assume that these 5 commodities represent entire commodities). It means that cloth exchanges itself with all commodities.

What is its opposite equation? All commodities exchange with cloth. That equation is as follows:

1 coat = 20 m of cloth
8 pairs of shoes = 20 m of cloth
10 pens = 20 m of cloth
25 kgs. of grain = 20 m of cloth
2 gms of gold = 20 m of cloth.

Now, all the commodities are those commodities, which express their value. Now cloth is the equivalent of all commodities. We can see this in this manner also:

1 coat =
8 pairs of shoes =
10 pens = } 20 m. of cloth
25 kgs. of grain =
2 gms of gold =

There is only one equivalent for all the commodities. Which means: the same form of value for all commodities. The value of any commodity now appears in the same form. Now if all commodities, in the world of commodities (except cloth), are in the relative position, only one commodity (only cloth) is in the equivalent position.

Now, ask any commodity in the world of commodities thus: "Which commodities do you exchange with? What are the forms of your value?" Every commodity answer thus: "I exchange myself only with the cloth. I won't exchange with any other commodity. The form of cloth alone is the form of my value". All commodities (except cloth) tell the same thing, that is, the same form of value.

'All commodities possessing the same form of value' implies that the form of value is the 'collective form of value' relating to all the commodities. That itself is the 'general form of value'. ('General' means 'related to all'). Because of the situation in which all commodities exchange with the same equivalent, the very form of that commodity which stands as an equivalent has become the general form of value. As we took 'cloth' in our example as the general form of value, a commodity called cloth is a general equivalent, which is now qualified to exchange itself with all commodities.

The 'general equivalent' has come into being only from the situation wherein one commodity exchanges with several commodities. When we see the situation wherein one commodity exchanges with several commodities, from the side of 'one commodity', expanded form of value is seen, and when we see it from the side of 'several commodities', 'General form of value' is seen.

In the Elementary stage, each commodity has its own distinct form of value.

Even in the Expanded stage, each commodity has its own distinct form of value.

But, in the 'general' stage, each commodity does not have its own distinct form of value (with the exception of one commodity, the commodity that stands as the 'general equivalent'). Now all commodities exchange with the 'general equivalent' only. Except with that commodity, they won't exchange with any other commodity.

The 'general equivalent' has a special name, a name that is familiar to the whole world of commodities. That name is 'money'! What appears

as 'money' to the world of commodities is nothing but the 'general equivalent'. To know about the 'general equivalent' is to know about 'money'. Yet, here, instead of the word 'money', we use mainly the word 'general equivalent'.

The form of general equivalent itself is the general form of value.

1) Points concerning the 'general form of value'

(1) If the system whereby any commodity exchanges with any other commodity is replaced by a system, whereby all commodities exchange with only one commodity, how are the wants satisfied? Let us assume that 'cloth' is the general equivalent. Suppose that a person with maize requires shoes. What if the maize does not exchange with shoes but exchanges with the cloth? What the person with maize requires is not the cloth, isn't it? What will he do with the cloth that he does not require? What then is the advantage of the system whereby all commodities exchange with only one commodity?

The advantage of the emergence of a general equivalent is that exchanges take place very easily by means of it. Now, let us see how this is possible. A person having maize needs shoes. 'Cloth' is the general equivalent. Now the person with maize does not first go straight away to shoes. He first goes to the 'general equivalent'. He gives his maize and takes some general equivalent in lieu of his maize. Thereafter, taking that general equivalent he goes to the shoes. He gives the general equivalent to the shoemaker and takes shoes in return for it. The person with maize now gets shoes.

But, does the shoemaker take the cloth (the general equivalent)? What if he says, "I don't need the cloth"? He does not say so because — what sort of a commodity is this `cloth'? It is a commodity that stands as the general equivalent. The shoemaker too has to exchange his shoes with others and has to get the commodities he requires. Whatever commodity he requires, he should have the general equivalent with him. If he takes general equivalent with him, there will be no problem of getting another commodity. Therefore, the shoemaker does not hesitate to take cloth, which is the general equivalent. Even if he does not need any commodity now, he may require a number of commodities later. Therefore, even for that reason, he does not object to taking the general equivalent and give his own commodity. Moreover he agrees with great joy.

As soon as the shoemaker takes the general equivalent and gives shoes, the person who brought the general equivalent goes away taking shoes with him.

Now the shoemaker has general equivalent with him. Suppose he requires jaggery. He gives the general equivalent to the person with jaggery and gets jaggery. Thus every person has got whatever commodity he required. Which means: the person with maize has got shoes and the shoemaker has got jaggery.

Any person who produces any commodity gives it to those who require it and takes the general equivalent. This is the first exchange. Then he gives the general equivalent and takes the commodity that he requires. This is the second exchange. By means of these 2 exchanges, a person, in lieu of one commodity, gets another commodity.

The process by which the person with maize got shoes is:

Maize = General Equivalent — This is the first exchange
General Equivalent = Shoes — This is the 2nd exchange

The essence of this is merely giving maize and taking shoes. This, however, does not mean that maize have gone into the hands of the shoemaker. But, if we see from the side of the maize person, maize have left and shoes have arrived.

It means, maize = shoes.

However, this exchange, instead of these 2 commodities exchanging directly with each other, took place by means of the general equivalent between these commodities.

The process by which the shoemaker got jaggery:

Shoes = general equivalent — This is the lst exchange.
General Equivalent = Jaggery — This is the 2nd exchange.

The essence is, Shoes = Jaggery.

This exchange took place by the existence of 'general equivalent' between the 2 commodities.

It means that the general equivalent functions as the 'mediator' for the exchange of 2 commodities. General equivalent enables a commodity-owner to get another commodity.

The emergence of this 'mediator' is so great a development in the world of commodities that a commodity owner need not go, keeping his commodity under the arm-pit, to each doorstep anxiously to get a commodity which he needs. The commodity-owner first goes to the general equivalent and then to the commodity that he requires. With merely two exchanges, he is sure to get the commodity he wants.

In the commodity world consisting of innumerable commodities, wheresoever and whatsoever exchange may take place in thousands of combinations, each of them must take place by means of a general equivalent. It is because of its 'mediation' that commodities get exchanged briskly. Owing to the emergence of general equivalent, there is so much facility in the exchanges.

(2) Why did the 'general equivalent' emerge and in what conditions? As the 'division of labour' in society increases and new kinds of labour come into existence and as the production of different kinds of commodities thereby increases, exchanges have to take place in large numbers. As the world of commodities expands, those methods of exchange that were adequate when less number of commodities existed, are no longer adequate.

Let us suppose that a certain commodity is often required by all. Some commodities might not be required by one as much as by another. But certain other commodities might be required by almost all. Let us suppose for example, a cow is required by many and one person is tending a flock of cows. As some labour needs to be performed for tending cows, the cow will have some value.

All people give their commodities and take cows. (They have to give so many commodities whose value is equal to that of the cow). Several equivalents are formed for a commodity that is required by many persons. This particular commodity (cow) becomes the general equivalent for those several equivalents. In this way, the system, whereby a single commodity, required by more people, functions as a 'general equivalent', begins.

This system did not begin suddenly on one day. At first a general equivalent may be formed for five or six commodities. Later on, the general equivalent for still more number of commodities may be formed. Gradually, at last a single general equivalent emerged for all the commodities present in the world of commodities. Since then there would

be only one equivalent but no second equivalent would be there in the world of commodities.

The formation of a general equivalent implies that all the commodities have empowered one commodity among themselves to serve as a 'general equivalent'. It means that all the commodities together are saying to that one commodity thus: "You alone be the general equivalent for all of us. None of us are going to be equivalents. All of us will exchange only with you and will not exchange with any other commodity".

If all perform the same action, it becomes 'collective action'. All the commodities in the world of commodities are together performing a collective action called "Exchanging" with only one equivalent. Owing to this collective action alone, a general equivalent came into being. In this way, the general equivalent formed out of the evolutionary process that took a long time in the world of exchanges. It did not come into being because some 'economists' thought well and decided thus: "Let us set up only one equivalent for all the commodities".

As the General equivalent is the equivalent relating to all the commodities, wherever they are in the entire world, we call it also "Universal Equivalent".

(3) "The function performed by the general equivalent is only to mediate exchanges between commodities, isn't it? Then, why can't we have a stone or some such thing as the object that performs this function? If the whole of society duly recognises it as the general equivalent, does it not perform that function?" — If any one entertains such doubts, it means that he or she has not understood the things concerning `value' which he or she has read so far. To play the role of a `general equivalent', there should be something which is produced by labour but not a stone or some such thing. Because: if the general equivalent is an object produced by labour, it is not possible for other commodities to exchange with it. Suppose,

2 kgs. of maize = 1kg. of grain.

This means that the values of these 2 commodities are equal. Let us suppose that there is 10 minutes labour in this maize and 10 minutes' labour in this grain too.

However, if these commodities want to exchange with each other, they do not exchange directly. They exchange only through General Equivalent.

Let us assume that, here, cloth is the General Equivalent and there is 5 minutes labour in 1 metre of cloth.

Person with maize first should give maize and take the General Equivalent. As the General Equivalent too has value, there would be some calculation as to how much of the Equivalent should go in return to 2 kgs. of maize. According to that calculation, 2 metres of cloth goes to 2 Kgs of maize. Then, the person with maize should give General Equivalent and take grain. If he gives 2 metres of cloth, he would get 1 kg. of grain. Or if he gives 1 metre of cloth he would get half kilo of grain. In the same manner, while taking grain also, the General Equivalent that goes in return to the grain goes according to some calculation.

If the general equivalent were not an object possessing value (produced by labour), on what proportions can it exchange with other commodities in an exchange? It is with the attribute of 'value' that the general equivalent acts as the 'mediator' for the exchanges of commodities but not simply with the name of 'mediator'.

Let us assume that the world of commodities has acknowledged some stone or some such thing not produced by labour as the general equivalent. Let us also suppose that 4 kinds of commodities now came for exchange with those pieces of stone. Those commodities, let us suppose, are 2 kgs. Of maize, 1 gr. of gold, 1 litre for milk and 4 pairs of shoes. Well, in what proportions does that 'general equivalent' exchange itself when it has to exchange with all of them? If that equivalent is something produced by labour, then, while exchanging with a given commodity, only that part of the equivalent, which is proportionate to the value of that commodity, exchanges.

Let us suppose that the values of certain commodities, which are in front of the equivalent, are like this:

In 2 kgs. of maize — 10 minutes of labour
In 1 gr. of gold — 30 minutes of labour
In 1 litre of milk — 15 minutes of labour
In 4 pairs of shoes — 25 minutes of labour

If the general equivalent has to exchange with these 4 commodities, does it do so in the same measure with all? Does the same amount of equivalent which goes in return for a commodity produced with 10 minutes of labour also go in return for a commodity produced by 30 minutes of labour?

Let us suppose that the labour-time of cloth, which is the general equivalent, is 5 minutes per 1 metre. It exchanges with other commodities before it, based exactly on this value calculation.

2 kgs. of maize (10 m of labour)	=	2 m. of cloth (10 m. of labour)
1 gr. of gold (30 m. of labour)	=	6 m. of cloth (30 m. of labour)
1 litre of milk (15 m. of labour)	=	3 m. of cloth (15 m. of labour)
4 pairs of shoes (25m. of labour)	=	5 m. of cloth (25 m. of labour)

Since the general equivalent is one that is produced by labour, it has value measurements that decide, whenever it has to exchange with other commodities, the part which has to go in exchange for a given commodity. If it is one that is not produced by labour, it is not possible for it to exchange with other commodities in accordance with any calculation.

If we want to measure the weight of an object, we have to measure it only by means of another object with weight. A weightless object cannot be useful to measure the weights of other objects. Likewise, an object without length is not useful to measure the lengths of other objects. Similarly, an object without 'value' (without labour) cannot be of use in measuring the values of other objects. As labour can be related only to labour, the general equivalent, which stands to express the values of commodities through itself, must be an object that is produced by labour. If it is otherwise, it does not have value-measurements and therefore exchanges with it are not possible.

4) In the world of commodities, only that commodity which stands as the general equivalent is in the equivalent position and all other commodities stand in a relative position, isn't it. Once the general equivalent is formed, all the newer varieties of commodities that enter into the world of commodities go on taking the relative position. Which means, even these newer commodities also get exchanged only with the general equivalent.

5) Observe the mistake in this example:

$$\left.\begin{array}{l} 1 \text{ coat} = \\ 1 \text{ gr. of gold} = \\ 20 \text{ m. of cloth} = \end{array}\right\} 20 \text{ m of cloth}$$

20 m. of cloth stands both in the relative position and in the equivalent position. If it stands thus, 20 m. of cloth becomes 20m of cloth. Which means, it is as if cloth has exchanged only with cloth. This is wrong. Therefore, the commodity that exists as the General Equivalent always stands apart from the remaining commodities and always remains in the equivalent position.

6) 'General Equivalent' too is a commodity, isn't it? If it always remains in the position of the general equivalent and always expresses, by means of itself, the values of other commodities, then when will it express its value? Through which commodity will it be known? What is the commodity that stands as the form of value of the general equivalent?

All the commodities standing opposite the general equivalent express its value. All of them are the forms of its value.

In order to know the value of any commodity, it has to come to the 'relative position'. In order to know the value of the cloth that is the General Equivalent, it has to come to the relative position. Then all the commodities go the equivalent position. Then comes the 'Expanded form of value'. Which means: the value of cloth that is the general equivalent appears in the form of several commodities. For 20 metres of cloth, how many coats do we get? How many pens? How much gold? In this manner the value of the cloth appears in the form of any number of commodities (there are all commodities) that stand in front of the cloth. All the commodities that stand opposite to the General Equivalent are those commodities that express its value. All of them are its forms of value. It means that when the General Equivalent stands as a commodity which expresses its own value, it will have many equivalents (many forms of value) but not one equivalent only (only one form of value). Which means, while all the commodities possess a general form of value, the commodity that stands as the General Equivalent will have only an expanded form of value. It won't have the general form of value.

7) If a person, without any relation to the 'General Equivalent', gives his commodity and takes another commodity, then it is an exchange that has occurred by way of barter. In the Elementary form of value, all

exchanges would be in the barter system. In the expanded form of value also, exchanges would be in barter system. In the general form of value, the barter system goes and the General Equivalent enters between the commodities that are to be exchanged. However, even after the emergence of the General Equivalent, exchanges here and there, in the society, may continue to take place by way of barter. Complete withering away of barter system takes place only gradually.

8) We have seen that, when exchange takes place, if it is a relation between only two commodities, it is a characteristic of the elementary form of value. This characteristic is retained even in the General form of value. This is how it happens: If the person with corn wants grain, an exchange takes place first between corn and General Equivalent. This is a relation between 2 commodities. Later, an exchange takes place between General Equivalent and grain. This is also a relation between 2 commodities. In this manner, whenever any commodity exchanges with the General Equivalent, it would be a relation between 2 commodities only.

In addition to this, the characteristics of Expanded value are also retained in the General form of value. Because the expanded form of value stands as the 'form of value' of the commodity which stands as the 'General Equivalent'. It means that the characteristic of the Expanded stage survives even in the general stage. Thus, in the general stage, the characteristics of both the elementary stage and the Expanded stage have not disappeared completely. That is, general form of value has not emerged newly from somewhere. It has emerged after overcoming the shortcomings (shortcomings pertaining to exchange) of the Elementary stage and expanded stage and incorporating their positive aspects.

2) How did the inadequacies of the 'expanded form of value' disappear in the 'general form of value'?

1) We saw that the 'expression of value' of a commodity in the 'expanded form of value' is incomplete. Let us now see how the expression of value of commodity became complete in the general form of value.

In the expanded form of value, it is not possible for a commodity to speak about its value thus: "Look here, only this is the form of my value. My value cannot be in any other form than this". Therefore, the expression of value there is incomplete.

But, in the general form of value, if a commodity has to show its value, it can show its form of value as that commodity which stands as the General Equivalent. It can offer a clear answer thus: "Only this is the form of my value. My value does not appear in any other form than this."

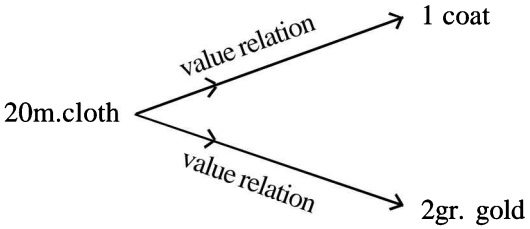
This means, in the general form of value, a commodity will have only one form of value and it will never have any second form. Let any number of new commodities enter into the world of commodities, the 'form of value' of commodities does not change. Therefore, in the general form of value, the expression of value of a commodity is complete.

2) In the expanded form of value, the fact that one commodity has value-relations with several commodities appears. At the same time, the fact that these other commodities have relations among themselves does not appear. This is what we saw in Expanded form of value. Let us see how this will be in the general form:

In the Expanded form of value:

20 m. of cloth = 1 coat
= 2 gr. of gold

We saw the same in a diagram like this:

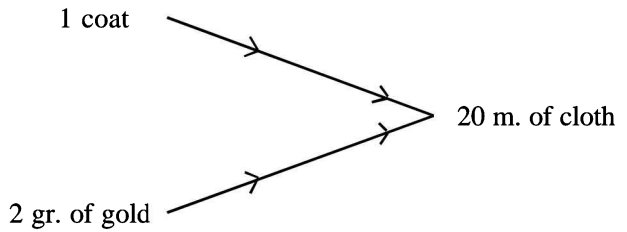


In this diagram, the relation between cloth and coat is appearing. Even the relation between cloth and gold is also appearing. But, here, it does not appear that there is a relation between coat and gold.

When we change this into the 'general form of value':

1 coat =
2 gr. of gold = } 20 m. of cloth

We are now seeing the value-relations, not of from the side of cloth, but from the side of its equivalents. We have placed these 2 commodities in the relative position and cloth in the equivalent position.



Here, Coat - - is exchanging with 'cloth'
Also, gold - - is exchanging with 'cloth'

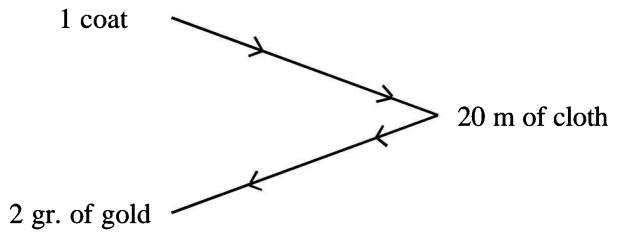
Both the commodities are exchanging with the same commodity. The fact of "Exchanging with the same equivalent" proves another fact that there is a "common characteristic" for both the commodities, namely, coat and gold. That characteristic is 'value'.

The fact—that both coat and gold have 'value' and hence it is possible for them to have 'exchange relation' due to their common characteristic — is proved. The relation that did not appear in the Expanded form of value (the exchange relation between coat and gold did not appear there) appears here.

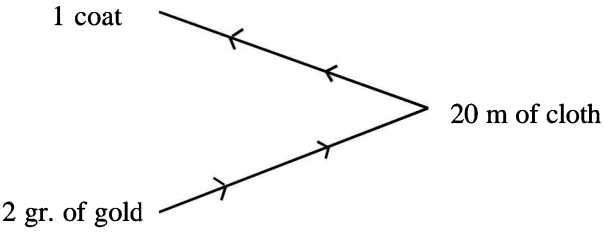
Exchange relations between coat and gold imply that either coat with gold or gold with coat do not exchange face to face. They have to exchange by means of a General Equivalent.

Let us suppose that coat now has to exchange with gold. The person with coat gives first the coat and takes the cloth, which is the General Equivalent. Later, he gives that cloth and takes gold. If it happens like this, it means that the coat has exchanged with gold. The same procedure is followed even if gold has to be exchanged with coat. The person with gold first exchanges his commodity with the general equivalent and then gives it and takes coat. If it happens like this, it means that gold has exchanged with coat.

This is the way coat exchanges with gold:



And this is the way gold exchanges with the coat:



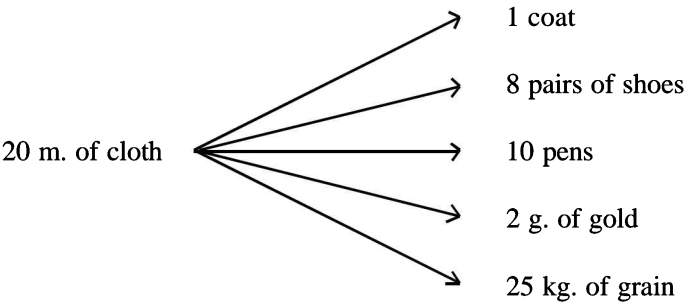
In these 2 diagrams, while the relations between (1) coat and cloth and (2) gold and cloth are apparent, the relation between (3) coat and gold also is apparent. In the expanded form of value, the 3rd relation does not appear.

The difference between the expanded form of value and the General form of value becomes still more evident if instead of the example of 3 commodities, we see an example of many more commodities.

The Expanded form of value:

20 m of cloth = 1 coat
= 8 pairs of shoes
= 10 pens
= 2 gr. of gold
= 25 kg. of grain

When we see this as a diagram:



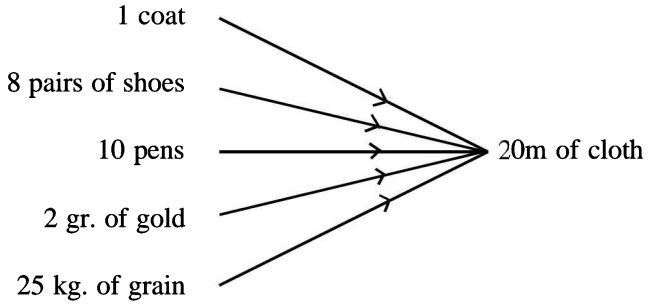
There are 5 equivalents in front of the cloth. It is clear that there are exchange relations between the cloth and those 5 commodities. However, is it clear that there are mutual exchange relations among those 5

commodities? Does coat exchange with shoes? Do shoes exchange with pens? Does gold exchange with coat? None of these relations are appearing. Let us see how the fact that does not appear here appears in General Equivalent.

General form of value:

1 coat =
8 pairs of shoes =
10 pens = } 20 m. of cloth
2 gr. of gold =
25 kg. of grain =

When we see this as a diagram:



Here, for all the commodities there is the same equivalent. That is why it is 'General Equivalent'. All commodities can exchange with one another by means of it. In this example, one might move from any commodity to any other. That means, one can give any commodity and take any other. However, that should be done by means of the General Equivalent only. One can first exchange coat with cloth and then cloth with pens. Or, one can go to shoes or to gold or to any other commodity with that cloth. The relationship that started from the gold can proceed to shoes or to any other commodity. By means of the General Equivalent, a relationship is being established between any one commodity and any other commodity in the world of commodities.

If we now ask any commodity: "What is the form of your value?", that commodity speaks thus: "I don't have any special form of value. Whatever form of value all the commodities have, the same is my form of value too".

If we ask each one of the citizens of the same country, "which is your country?", each person would give the same reply: "There is no country for me separately. Whichever is the country of all of us, that is my country too". By saying so, it becomes clear that he/she has the relationship of common country with all other individuals.

Similarly, if a commodity says: "My value form is not separate. Whatever form of value all the commodities have, the same is my value form too" — then the fact that there is a 'value relation among the commodities' becomes evident.

To say 'all commodities are equal' means all the labours that make them are equal. But, all labours are not of the same kind. They are of several kinds. If we say 'different labours are equal', in what respect are they equal? In respect of being a labour. Weaving is a labour. Tailoring is also a labour. 'Writing is also a labour'. Labour with any name is also a labour. That way, all labours are equal.

As any labour would give some 'use-value', all labours are equal when seen from the angle of giving 'use-value'.

As any labour can become a value, then also all labours are equal when seen from the angle of 'being a value'.

However, we have seen elsewhere that the fact that "all labours are equal" appears only from the value angle and not from the use value angle.

The fact that "all labours are equal" appears evidently not when we say that "A given labour is equal with other labours" (not in the stage of Expanded form of labour), but when we say "all labours are equal with each other" (In the stage of General form of value).

The equality of commodities and thereby equality of labours become evident when exchange relations and value relations among all commodities are established owing to the emergence of General Equivalent.

As the equality of commodities cannot be proved in the barter system whereby exchanges take place in isolated and separate relations, the equality of labours also cannot be established without the emergence of General Equivalent.

When we say that the equality of labours is established after the formation of the general equivalent, it does not mean that it is accomplished immediately after the formation of the general equivalent. It took hundreds and thousands of years to human beings to understand 'labour' even

after the formation of the general equivalent. For humans to grasp the notion of 'labour' and to understand the notion of 'equality of labours', those conditions should be there in which the vast majority of products in society can come for exchange with the General Equivalent as 'commodities'. Unless this happens, it is not possible to understand either 'labour' or 'equality of labours'. All that would happen after a very long time. At the moment, we are examining how the General Equivalent evolved and developed out of the barter system.

The essence of all the things which we have seen until now is - 'Exchanges' began in the society where, once, there were no exchanges at all. Gradually, as the kinds of commodities increased, there developed an exchange system whereby one commodity exchanges with more than one commodity. In subsequent times, the General Equivalent came into being owing to the exchange of all commodities with one single commodity. We have seen these facts via Elementary, Expanded and General forms of value.

The 'General form of value' is the form of value that has developed completely and without limitations. Here, by development, we mean development that is necessary to facilitate exchanges.

Questions :

1. What is 'General Form of Equivalent'?
2. 10 litres of milk = 2 kgs. of ghee. What is its opposite equation?
3. Since everyone has to exchange his commodity with only one commodity in the 'General form of value', does everyone require the same commodity?
4. What is the form of value of a give commodity in the 'general form of value'?
5. What is the consequence of all commodities having the same form of value?
6. "A greater number of equivalents form for a commodity that is required by a greater number of persons" - Explain this statement.
7. 11 kgs. of grain, 1 blanket and 1 table — all are equivalents of 3 grams. of silver - write this in the form of an equation.
8. When does a commodity accept the general equivalent as its form

of value?

9. A commodity has the same equivalent in the 'elementary stage' and also in the 'general stage'. What, then, is the difference between the 'elementary form of value' and the 'general from of value'?
10. What is the opposite equation of the 'elementary form of value?' Either 'Expanded form of value' or the 'General form of Value' or neither of the two?
11. Take 10 commodities and list them as showing the 'General form of value'.
12. What is 'Collective action'? What is the 'Collective action' performed by commodities?
13. How can we say that the expression of the value of a commodity in the 'General form of value' is complete?
14. Features of the 'Elementary' and 'Expanded' forms of value are also contained in the 'General form of value'. How?
15. How can we establish that in the 'General form of value' there exist exchange relations among all commodities?
16. By which characteristic does the 'General Equivalent' performs the role of a 'mediator' between commodities?
17. Suppose the labour-time of cloth, which is the 'General Equivalent', is 5 minutes per yard. How much of the 'general Equivalent' do we get in return of the following commodities?

    1 dozen batavia – 20 minutes = _____.
    1 bag of grain – 30 minutes = _____.
    2 bags of cement – 10 minutes = _____.
    1 book – 15 minutes = _____.

18. The person with cloth needs a pot. The person with the pot needs shoes, the person with the shoes needs maize, and the person with maize needs cloth. Let us suppose that gold has been established as the 'General Equivalent' in the society, which has all these commodities. How does the person with the pot get cloth?
19. What is this form of value?

1 coat =
20 m of cloth = } 2 gr. of gold

20. Fill in the blanks:

1) Exchange is the _____ relationship of _____ commodities.

2) When a commodity exchanges with one commodity, it is _____ form of value.

3) If a commodity exchanges with several commodities, that is _____ form of value. If several commodities exchange with one commodity, that is _____ form of value.

4) 'General Equivalent' is also called _____ equivalent.

5) 'Money' is the name of _____

6) The expression of value in the General form of value is _____

●

Chapter 7

Development of the Relative and Equivalent Aspects of the 'Form of Value'

Value had its beginning in a society where objects did not possess value and the form of value developed gradually. We have seen that the form of value did not descend all of a sudden in its complete form and that it started with a very small, elementary form and attained a comprehensive general form developing via some stages.

An exchange is always a relation between 2 commodities. Those 2 commodities occupy 2 kinds of positions and perform 2 kinds of roles. Therefore, when we say that the form of value is developing, it means that the relative and the equivalent aspects of its are also developing.

Let us, now, see the process of the development of the relative and equivalent aspects successively.

(1) In the Elementary form of value:

20 m. of cloth = 1 coat

Relative Aspect Equivalent aspect

Here, one commodity exchanges with only one commodity.

The commodity standing in the relative position has only one equivalent. Which means, the commodity in the relative position indicates its value only in one form. It does not have a second form.

The commodity in the equivalent position gives its form to the value of one commodity only. It stands as the equivalent of only one commodity.

2) In the Expanded form of value:

20m of cloth = 1 coat
= 8 pairs of shoes
= 2 gr. of gold
= 10 pens

Relative aspect Equivalent aspect

Here a commodity exchanges with several commodities.

The commodity in the relative position has several equivalents. It can express its value in several forms. This is the development in the relative aspect.

The commodity in the equivalent position not only acts as an equivalent for only one commodity, but can stand as an equivalent for any commodity. This is the development in the equivalent aspect.

(3) In the General form of value:

1 coat =
8 pairs of shoes =
2 gr. of gold = 20 m of cloth
25 kg. of grain =
10 pens =

Relative aspect Equivalent aspect

Here, all commodities exchange with the same commodity.

Now, each commodity in the relative position does not have an

individual form of value. All commodities express their value 'collectively' by means of the same form of value. The development in this aspect is the collective behaviour of all the commodities in the relative position.

The commodity in the equivalent position stands alone as the equivalent for all the commodities. This transcends the limitations in the Elementary and Expanded stages. It is not the equivalent for only one commodity as it was in the Elementary stage. It is not also one among the many equivalents for only one commodity, as in the Expanded stage. Now it is the sole equivalent for several commodities. It has the qualification of being the sole equivalent for the entire lot of commodities. This is the development in the equivalent.

The development in the relative and equivalent aspects related to the Elementary stage (development in contradictory aspects) led to the Expanded stage.

Again the development in the contradictory aspect relating to the expanded stage led to the General form.

Development in the difference between the Relative and Equivalent Aspects.

The two angles (relative and equivalent) present in a value equation are always contradictory to one another. The fact that the two aspects are not of the same kind (that there is a difference between them) becomes clearly evident as the form of value develops. The difference between the relative and equivalent aspects tends to increase as the form of value develops from one stage to another.

Change the commodity in the Relative position and the commodity in the Equivalent position from their respective positions in the Elementary form of value and see.

20 m. of cloth = 1 coat - This the elementary form of value.

If we reverse and see its opposite equation?

1 coat = 20 m. of cloth - This is also the elementary form of value.

By changing the commodities from one position to another, the nature of the position and the 'difference' between the two positions becomes evident. Nevertheless, the opposite equation in the Elementary form of value is also like the equation of the Elementary form of value.

The difference between the two contradictory aspects in this equation is not such that it alters the equation itself. Which means, the difference between the relative and equivalent aspects in the Elementary form does not appear clearly enough. But see how the difference between the Relative and Equivalent aspects increased when the form of value developed from the Elementary stage to the expanded stage.

The Expanded form of value:

	=	1 coat
20 m of cloth	=	8 pairs of shoes
	=	2 gr. of gold
Relative aspect		Equivalent aspect

If we reverse this equation and see its opposite equation:

1 coat	=	
8 pairs of shoes	=	20 m of cloth
2 gr. of gold	=	

This is the 'General form'.

The 'General form' resulted from the reversal of the 'expanded form'. That means, in the expanded form, the difference between the relative and equivalent aspects became so great that those aspects could be totally contradictory to each other. When those aspects were reversed (when the positions of the commodities were altered), it created so much difference that it would even change the form of value itself.

The General form is only the opposite of the 'Expanded form'.

In this manner, by the time the 'Elementary form of value' transformed into the 'General form of value', the inadequacies in the 'form of value' disappeared and it became 'complete'.

Exchanges proceeded to the Expanded stage, only after taking place for some time in Elementary stage. When there were only a very few kinds of commodities that were to be exchanged, the system, whereby one kind of commodity used to exchange with only one kind of commodity, sufficed. When, with the passage of time, several kinds of commodities (more use-values) are produced and when a greater number of exchanges became necessary than before, the need arose for getting any kind of commodity by means of one commodity, and thus the

Expanded form came into being. However, as it also contained some defects and for facilitating the uninterrupted exchanges between commodities, the 'General form of value' emerged by means of formation of General Equivalent.

By the time that the form of value reached the general stage, it developed fully as a form free from defects.

Questions :

1. What was the development in the 'relative aspect' when the 'Elementary form of value' became the 'Expanded form'? What was the development in the 'Equivalent aspect'?
2. What is the difference between the 'relative form' in the 'Elementary form' and the 'relative form' in the 'General form'? What is the difference between the equivalent forms?
3. The opposite form in the 'Elementary form' is also the 'Elementary form'. But, the opposite form of the 'expanded form' is the 'General form'—Comment.
4. How can we say that the 'Relative and Equivalent aspects' are mutually opposite aspects?
5. How did the development in the form of value affect daily life?
6. What are the characteristics which the 'form of value' discarded in the process of its evolution? How did they obstruct the development?

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Chapter 8

'Money' Form

Whichever commodity performs the role of a 'General Equivalent' in the world of commodities, that commodity itself is the 'money commodity' or 'money'.

If cloth is the general equivalent, cloth itself is -- money
If it is silver, silver itself is -- money
If it is gold, gold itself is -- money

It is not a natural characteristic of an article to be money. It is a social characteristic. Which means, the commodity that stands as money

is performing the 'social role' of being in value-relations with all commodities.

Today, it is gold, and on many occasions silver too, which is the General Equivalent in the world of commodities.

Gold has not been the General Equivalent ever since the General Equivalent formed in the world of commodities. A number of commodities had come and gone before gold as General Equivalents. But, then, they served as General Equivalent only for a limited number of commodities. Grain, cattle, brass, copper and many other kinds of commodities had served as general Equivalents for certain specified periods of time. Even slaves were a money commodity at certain situations.

At times, one commodity or the other becomes 'money' as a result of the temporary 'collective action' of certain commodities. After some time it goes out from that place.

The commodity functioning as money had been changing as the varieties in commodities and exchanges had been growing.

Money had to exchange with commodities with more value as well as commodities with less value. Therefore, the commodity that functions as money should be such that it should be able to split itself into small fractions and should be able to become a whole when those fractions are combined together. It should be able to express more value in less physical quantity. Which means, it should be of less weight even if it has more value. It should be able to accommodate itself in less space. It should remain unperishable however longer it may be stored. In order to have these characteristics, metals like brass, copper, silver and gold are more suitable to function as money commodity than grain and cattle. Even among these metals, silver and gold are more suitable than brass and copper.

Copper is a more valuable metal than bronze (more labour has to go into the production of copper than into that of brass of the same weight). Silver is a more valuable metal than copper and gold is more valuable than silver. When a commodity exchanges with money, the size of copper-money is less than the brass money, silver money is still less than copper-money and gold money is much less than silver money in size.

Such a metal served as money which could function as 'money' at a given time and under given circumstances, depending upon the

kinds of commodities produced in society and upon the levels of their value. As time progressed, to facilitate exchanges, a metal with more value had been replacing a metal with less value from the 'position of money'.

Silver and gold possess the attributes necessary to function as money more than other metals. Gold has even more attributes. That is why gold has established itself as money so as to suit the development of exchanges, even though given commodities had assumed the forms of money in the history of exchanges. Gold is not money when it is simply a commodity. It is money only when it stands as the general equivalent.

It was the nomadic tribes who at first developed the form of money. Nomadic tribes are tribes having the life style of moving to many places without any fixed residential areas. All the products of those tribes were only movable properties (products like cattle which moved from place to place). Whenever they needed exchanges, they used to utilise cattle or other products as money. Money started like that and established itself as gold at last.

Hitherto, we have kept cloth in the equivalent position as an example. From now on, we have to replace it with gold.

Henceforth, gold -- is the general equivalent.
Gold is -- money.

Other than gold, all the remaining commodities are ordinary commodities (that is, commodities that are not 'money').

If one commodity replaces another in the position of General Equivalent, the nature of General Equivalent does not change due to such a change.

The form of that commodity which stands as General Equivalent constitutes the General form of value; it is itself the money form.

Whether you call it the 'form of general equivalent', the 'general form of value' or 'money form', all these three are the same.

Whenever we speak of money, we have to recall 'General Equivalent'.

1) Points concerning 'money'

(1) As gold has now come into the equivalent position, cloth, which has been there in that position till now, goes into the relative position. Now cloth also expresses its value through gold. Gold now stands in the equivalent position instead of the relative position. When it exchanges with commodities, it goes as a large piece in return for a commodity with more value and as a small piece for a commodity with less value.

(2) Till the advent of money into the world of commodities, all the exchanges that took place were based on Barter system. The Barter system made an exit regarding all commodities ever since the General Equivalent came to be established. But, the barter system continued in the case of gold which is the general equivalent. As the form of the value of gold is only the expanded form of value, the value of gold is known only by means of Barter system exchanges.

(3) We saw in the past that if we give a chair and take a blanket, the blanket becomes the value of the chair and that the form of the blanket becomes the value of the chair. However, if we give a chair and take some money (a piece of gold), that money becomes value of the chair. That money form will stand as the value form of the chair. But the value that appears through money has a special name. That name is 'price'. The amount of money that comes in return for a commodity, when the commodity exchanges with money, is the 'price' of that commodity. If the cloth exchanges with gold, the piece of gold that comes in return for cloth is the price of that cloth.

Let us assume that there is 1 hour labour each in 20 metres of cloth as well as in 2 grams of gold. When we exchange 20 metres of cloth with gold, we get 2 grams of gold in return for cloth. The price of 20 metres cloth is 2 grams of gold.

(4) Let us suppose that we get 2 gr. of gold when we exchange 20 m. of cloth with gold. Suppose that we cut the 2 gr. of gold into 2 coins and we called each coin a 'rupee'. The two coins become 2 rupees. Now the price of the cloth is 2 rupees (gold-rupees). These 2 rupees are made out of 2 gr. of gold. It means that the total amount of labour in the 2 rupees and the total labour in the cloth are of the same quantity. That is why 2 gr. of gold came in lieu of the cloth. We got all the coins which constituted that gold.

If, instead of 2 coins, this 2 gr. of gold is in the form of single coin, it becomes a 2 rupee-coin. Even then the price of the cloth is 2 rupees.

'Rupee' is the name of the money of India. The money of each country has its own name.

The price of some commodities might be like this in terms of rupees:

Price of 20 m of cloth = Rs.2
Price of 12 k. of grain = Rs.3
Price of 9 pens = Rs.5
Price of a bread = half rupee and so on.

(5) Let us assume that gold has not yet emerged as the General Equivalent and all the exchanges are taking place through Barter system. Then, we got 2 grams of gold when we exchanged a cloth with gold. That gold is not the price of the cloth because that gold is not 'money'.

Suppose an exchange took place between a chair and a blanket by way of Barter. We know that the value of the first article is the (form of) second article. But, can the'value' be called 'price'?

Does the blanket constitute the 'Price' of the chair?

Does the chair constitute the 'price' of the blanket?

Here we should not use the term 'price'. Because, only when an article exchanges with money and only when we get money in terms of 'so many rupees', then it will be 'price'. If we get an article, in lieu of another article, the name of that article is 'value' and not 'price'.

Only when value appears through money - it is 'price'
The value expression made through money itself - is 'price'

(6) Till now, we have not used the words 'buying' and 'selling'. We are only using the word 'exchange'. The words 'buying' and 'selling' begin only when we exchange an article with 'money'. As we are seeing 'money' only now, there has been no need to use those words.

Suppose an exchange took place between a chair and 5 rupees.

If we view it from the side of the chair, it is 'selling' the chair.

If we view it from the side of the money it is 'buying' the chair.

That means, the two words 'buying' and 'selling' are concerned with the article and not with money.

When a person is giving chair and taking money, does it mean that he is selling the chair or buying the money? It only means 'selling the

chair'. It does not have the second meaning.

Similarly, when a person is giving money and taking chair, does it mean that he is 'buying the chair' or 'selling the money'? It only means 'buying the chair'. It does not have the second meaning.

Therefore 'buying and selling' mean, 'buying the article' and 'selling the article' and not 'buying the money' and 'selling the money'.

(7) The very occurrence of an exchange between an article and money is either buying or selling. Therefore, the terms 'buying' and 'selling' begin only during that period when exchanges of article were conducted by means of money. These terms would not have existed during the Barter period.

Suppose an exchange took place between a chair and a blanket by means of the Barter system.

If we view this from the side of the chair, it is giving chair and taking blanket. But not, selling the chair and buying the blanket.

The same is the case even if we view it from the side of the blanket.

(8) Whenever we say 'rupees' for the present, we mean only gold-rupees and not paper-currency. Some more history has to pass before the emergence of paper-currency.

The government in the society performs the work of making money and releasing it. Functions such as: keeping gold of a certain weight as a unit, dividing it into equal parts and giving names to that unit and to those parts are performed by the government 'officially'.

(9) The names for weights are ounces, pounds, grams, etc. Metals like copper, silver and gold had names for their weights even when they did not become money-commodity. When silver became a 'money-commodity' in England, they made a coin with a pound's weight of silver and named it as 'pound'. The 'money name' given for the silver weighing one pound is 'pound'. So, the money name of the first English speaking country is pound.

When we say that the price of 1 coat is 2 pounds, it means 2 pounds' weight of silver.

When gold replaced silver as the money-commodity, the gold coin also came to be called pound. But then they reduced the weight of a

pound. As gold is more valuable than silver, they called the 1/15th part of the previous pound's weight of gold a pound. What was recognised as 1 pound when silver was 'money commodity', came to be recognised as 15 pounds when gold became the money-commodity.

We cannot grasp the characteristics of an object from its name. We can't grasp the physical features of a person by his name 'Ramayya'. Likewise, the values and the weights and other characteristics of the money can't be grasped from their names 'rupee', 'pound' or 'dollar'. They are simply 'names'. We have to know the details specifically.

(10) 'Price' being the expression of the value of a commodity in terms of money, 'money' has no price unlike the ordinary commodities. It has only value. When someone asks what the price of 1 rupee is: "the price of 1 rupees is 1 rupee only." The price of 2 rupees is only 2 rupees. It is meaningless to see the price of money, as the price of a rupee is to be seen only in terms of the rupee. We may ask: 'what is the value of 1 rupee?'. That value appears through several commodities. The amount of grain we get for 1 rupee is its value or the amount of cloth we get for 1 rupee is its value. Thus the value of a rupee appears through several commodities.

'Rupee' is gold in the form of a coin. 'Money-commodity' is the lump of gold. Let us suppose, there is 1 gr. of gold in a rupee coin. When we take 1 gram of the lump of gold and see 'what its price is', we can say: "The price of 1 gr. of gold = 1 rupee". But, as 1 gr. of gold, is there in 1 rupee coin, the price of 1 gr. of gold will be 1 gr. of gold. Therefore, it is also meaningless to see the price of the lump of gold (money commodity). Therefore, either gold or rupee coins made of gold do not have price, and they have only value.

If we get 10 m of cloth for 1 gr. of gold, the value of 1 gr. of gold (or the value of 1 rupee) = 10 m. of cloth. If we see the value of gold as grain, it is certain amount of grain. If we see as sugar, it is some quantity of sugar.

The value of money (value of gold) appears in terms of all the commodities that exist in the world of commodities.

Suppose a price-list is like this:

20 m of cloth = 2 rupees

12 kg. of grain	=	1 rupee
9 pens	=	3 rupees
1 pair of shoes	=	half rupee
.....	=	.....
.....	=	.....

We can see the value of money if we reverse the list, that is if we read it beginning from the side of rupees towards the ordinary commodities.

For 2 rupees	=	20 m of cloth
1 rupee	=	12 kg. of grain
3 rupees	=	9 pens
half rupee	=	1 pair of shoes

From this, the value of 1 rupees is like this:

1 rupee	=	10 m of cloth
1 rupee	=	12 kg. of grain
1 rupee	=	3 pens
1 rupee	=	2 pairs of shoes

The value of money thus appears through other commodities. We know that the value of a given commodity does not appear through money. Therefore, we have to see it through other commodities only.

(11) If the productivity of the gold and thereby the labour time necessary for 1 gr. of gold changes, then the value of the gold also changes. Then the number of gold coins that one can get in lieu of commodities also changes. If the value of gold doubles, it would be all right if half gram coin goes whenever 1 gr. coin has to go. Or if the value of the gold reduces to half, 20 coins have to go wherever 1 gr. coin had to go. This means that whenever the value of gold changes, prices of all the commodities change. If the prices of all commodities in the price-list go down in their price by half, it means that the value of gold has doubled. If the price of all commodities have doubled, it means that the value of gold has gone down by half. If the prices of commodities change differently the reason for such changes might be the variation in their values. But they are not changes that occurred due to gold. It is because: if the change had taken place in the value of the gold, its influence would appear in the prices of all the commodities uniformly. Prices either increase or decrease approximately at the same rate. If prices have changed

variously, then it is not something that has happened from the side of the gold.

If the prices of commodities have changed due to the change in the value of gold, such a change in the prices is not at all considered as change. It is because that change applied to all commodities alike. It does not happen that it applies to one commodity and does not apply to another commodity. If the prices of all commodities change uniformly then that change is tantamount to no-change.

Here, we have to understand properly the matter of change in commodity prices due to change in the value of the gold. Let us suppose that the value of 1 unit of gold got reduced to half due to discovery of new gold mines and hence doubling of gold production. Because of this, we have seen that, commodity prices increased since 2 gold coins are spent wherever 1 coin is spent. What is the cause for price-rise in this example? Is 'reduction of gold value' —a correct answer? Or is 'increase of gold production' a correct answer? —What answer have we offered in the first chapter of this book, to the question 'why is the value of diamonds higher?'. We said, 'because diamonds involve more labour.' But not 'because diamonds are found less'. We mentioned 'labour' alone as a cause. Similarly, here also, even in the case of gold, our answer should be from the perspective of labour. The answer to the question, 'why have commodity prices risen?' is: 'Because the labour time necessary for 1 unit of gold has got reduced compared to earlier proportions. The answer is not: "because the production of gold increased". This is a very important aspect to understand the fact that 'money' functions as 'money' only through its 'value'.

(12) Seeing 'value' in terms of 'form', we have come to the 'money-form'. Value does not get its own form until money assumes the form of coins. The beginning of coins implies that the value has acquired its own form.

"Value's own form" means a form that is not connected with any 'use-value'. The form of coin is like that.

The peculiarity of coin-form may be understood if the difference between an exchange of a commodity with other ordinary commodities and its exchange with coins is seen.

Let us suppose, a chair has exchanged with a blanket. Then, the blanket will become the value of the chair. That 'blanket' will have a use-

value and a value. The use-value is that of a blanket while the value is that of the chair. That is to say, the value of chair exists along with the use-value of the blanket. The person who gave the chair and took the blanket can use either the value or 'use-value' of the blanket.

Likewise, if the chair exchanges with a brass vessel, that brass vessel would be the value of the chair. That vessel will have a use-value.

If the chair exchanges with a shirt, that shirt would be the value of the chair. That shirt will have a use-value.

Similarly, if the chair exchanges with any ordinary thing, the value of the chair will be linked with the 'use-value' of that thing.

Let us suppose, the chair exchanges with a 'money coin' instead of ordinary things. What 'use-value' is there for that 'money coin'? It does not have any use-value. What do we do with the 'coin'? How is it useful? We can take any commodity by giving a coin. If we use coin again it would do the same thing. Any number of times we may use a coin, it is useful only for exchanging with commodities.

It is not possible to use the coin as a 'use-value' as we use the chair to sit in and the blanket to cover ourselves. If at all the coin has any use-value, it is only 'to serve as a value'. Which means either the 'value' or the 'use-value' of a coin is the same, that is 'to be value'.

'The characteristic of being value' is possessed by not only the coin but also every commodity. However, the general commodities have, besides the characteristic of 'value', a 'use value' also. The coin does not have it. If we get the coin melted and an ornament made with that gold, it only becomes the use value of gold but not the use value of the coin.

A coin too is an article. But this article has been made to be the form of 'value' but not use-value. As the function of a coin is to exchange with commodities, it remains the 'form of the value' of that commodity with which it exchanges. Which means, a coin is always the form of value. If it does not stand as the form of value, the gold within the coin will never be in the form of coin that is, in the shape of a thin, round piece marked with the heads of kings, numbers, symbols, etc. If it is not the form of value, it becomes the usual lump of gold or an ornament.

An ordinary commodity (a commodity that is not a coin) like a blanket necessarily exists as a use-value even if it does not stand as the

form of value of some other commodity. Because that article has been made only for being a use-value. But the case of coin is not like that. It has been made only to stand as the form of value. That form will have no other purpose if it is not like that. Which means, the coin form is without any use-value. That is why it is the own form of value. No form which is together with use-value can become the own form of value.

We have already seen in the past that an object (e.g., a blanket) does not stand as a value when it exists as a use-value and vice-versa. It means that even an object possessing a natural use-value remains as a commodity without use-value when it stands as a value. Hence, the coin inherited 'the form that does not require any use-value' from 'the characteristic of being without a use-value while standing as a value'.

Even though it is gold that is the 'money-commodity', whatever form the gold takes (the form of an ornament or the form of a rod of gold) does not become own form of the value. Instead of the form made for other purposes, only the form created to indicate value, that is the form of coin, is the own form of the value.

Value did not have its own form as soon as it was born. It did not have its own form even in the early days when it became 'money'. Let us suppose, grain was 'money for some time'. Then the form of grain would become 'money-form', isn't it? But that money form is not the own form of value. Likewise, if some other commodity was money, the form of that commodity too was the own form of value. After money emerged in the form of coins, the coin form alone becomes the own form for value whatever be the metal of which the coin is made.

When we say value has acquired its 'own form', does it mean that value, which was not natural, now appears natural? No. Value is never natural. It never appears in the body of the article. If it has to appear, it has to appear through another article outside the first article. Even now, value is doing the same thing. 'To appear through coin' means that value is appearing even now through an article through its form called 'coin'. Though coin is an article that emerged only to show the value and though value is appearing with the form of coin, even then value cannot be a natural thing. If value is a natural thing, the value of an article should appear in the body of that article itself without the help of a coin. But it did not happen because value is not natural.

Value, which used to appear by means of articles that have some

use-value before the emergence of coin, stands "independently" only after the emergence of the coin. "Independently" of what? Independently of use-Value. The form that has separated from use-value itself is the coin form.

Whenever, we speak of 'money' hereafter, it means that we are speaking of money in the form of coins only. 'Money' form means the form of 'coins' only.

(13) We saw that the value-form of a commodity is always different from its bodily form. The same thing happens even when the coin-form becomes the value form of all commodities. If we assume that there are 100 kinds of commodities in the world of commodities and that all of them exchange with coins, this coin-form is different from all the forms with which it exchanges. If the price of a chair = Rs.5, its form and the form of its value are different. The same is the case with any other commodity. Since it is 'price' that indicates the value of a commodity, the 'priceform'(money-form) is different from the physical form of the commodity.

(14) The use-value and value in a commodity are contradictory aspects. Where one exists, the other does not. This is the contradiction in a 'commodity'. This contradiction is more developed in exchanges through money than in the Barter system.

Let us suppose that some of the exchanges in the Barter system are like this:

1 pot = 1 pair of shoes
1 bow = 1 ox-hide
1 chair = 1 blanket
2 kg. of grain = 5 kg. of red gram

In this, all those that are on one side are use-values and those which are on the opposite side are values. Which means: use-value and value are separated in each exchange pair. But as every commodity that stands as a value is associated with a use value, it does not appear as being 'value'. When pot exchanges with a pair of shoes, it appears as if one object is received for another but not as the second object being the value for the first.

Now, let us see exchanges taking place between those commodities

and money:

Pot = half-rupee
Bow = 1 rupee
Chair = 5 rupees
2 kg. of grain = 3 rupees

When this is the case, it appears as if the half-rupee that came in lieu of the pot is the value of the pot and the rupee that came in lieu of the bow is the value of the bow. Similarly, in the case of other commodities also, values appear specifically. It means that the fact that use-value and value exist separately in a commodity appears in a more developed form in exchanges that take place by means of money than in the Barter system. It is possible to realise the fact that there exists a contradiction in a commodity (that there are contradictory elements in a commodity) only after the emergence of the money-form. The history of the exchanges has gradually developed the contradiction in a commodity. Mere realisation that there is a contradiction in a commodity does not resolve the contradiction. It is resolved only when the object is not changed into a commodity (only when there are no exchanges). That means, there will be only use-value but not 'value'. Only in this way it is resolved.

(15) Money is a value that does not have any link with any use-value. We may change such a value into any use-value in few moments. Which means that we may buy any commodity with money in few moments. Any commodity is ready to exchange with money. As money can turn itself into any use-value even though it does not possess any use value, it simply means that it has all use values.

(16) Persons who exchange by means of Barter system exchange only with the objects they need. If an exchange takes place between a chair and a blanket, it implies that the person with the chair needed a blanket and that the person with the blanket needed a chair and hence an exchange takes place. The chair and the blanket possess separate use-value and some value each. If an exchange takes place between such things as these, that exchange exists as a 'relation of use-values' (giving one use-value and taking another use-value) on the one hand and as a 'relation of values' (giving some value and taking some value) on the other hand. But, when an object is exchanged with some 'money', 'what aspects' are involved in that relation? If an exchange took place between a chair and Rs.5, 'what aspects' are involved in that relation? A chair possesses a use-value and some value. Whereas Rs.5 has no use value

but some value. When a relationship is formed between a chair and money, it means that relation is formed only between the 'value aspect' of the money and the 'value aspect' of the chair. Which means, the relation between an object and money exists only as a 'value-relation'. In the Barter system, however, the relation between 2 things exists not only as the relation of values but also as the 'relation of usevalues'. That is, after money came into being, all the relations of things with money continue to exist only as 'value-relations'.

(17) If an exchange took place between the chair and the blanket, it means that an exchange took place between the 'labour in the chair' and the 'labour in the blanket'. (In fact, it is not just an exchange of labours, but also an exchange between 'the natural substance' in the chair and 'the natural substance' in the blanket. But, while seeing the 'value', only the aspect of labour is necessary and the aspect of natural substances is unnecessary). When an exchange took place between the chair and some rupee-coins, even then it means that an exchange took place between one labour and another labour. Whether before or after money came into being, exchange between commodities means exchange between masses of labours.

(18) 'Money' means 'value'. 'Value' means 'labour'. Therefore, 'money' means 'labour'. If a little girl has a 'paisa' in her hand, it is some 'labour'. If she gives that paisa, she would get a thing which has very little value. '1 rupee' means it is still more labour. For that, we get a thing that has a little more value. If it is Rs.10, it is still more labour. If it is Rs.100, it is still much more. Thus, if little money is little labour, more money is more labour. If less money fetches things made of less labour, more money gets things made of more labour.

If a person has some money with him, it means that he has with him some labour and it is in the 'money-form'. It means that the person has got as many things as that money fetches.

(19) Let us suppose that a pen with a value of one rupee and one rupee coin are there side by side. Both of them are articles with equal value. Yet, it seems as though the rupee has some 'mysterious power' which the pen does not have. Money seems to have a 'mysterious power' that no article has. When compared with other articles, money has 'mysterious power'. Its speciality of purchasing any commodity in the world (the speciality of exchanging with any commodity) is that 'mysterious power'. Its qualification to be a 'General Equivalent'

constitutes its 'mysterious power'. In this sense, money is a thing of 'mysterious power'. But in the real sense, money does not have any 'mysterious powers'. Money means only 'labour'. Money means simply the 'measuring vessel' of all labours.

(20) We have seen that, when an exchange takes place between 2 commodities, there exist 'qualitative equality' and 'quantitative proportionality'. Even when exchanges take place between commodities and money also, there exist 'qualitative equality and 'quantitative proportionality'. If an exchange takes place between a chair and Rs.5, their 'qualitative equality' is that the labours that produced the chair and that money (gold) both become 'value'. Their 'quantitative proportionalities' are: that the chair is of a particular size and that money is Rs.5. Thus, these qualitative and quantitative relations exist in the exchange of any commodity with money.

(21) What is meant by 'wealth'? Do 'wealth' and 'money' mean the same? Wealth means the whole mass of products. Every thing produced is 'wealth' but every thing is not wealth.

To say this in other words, money is also wealth but all wealth is not money.

Let us assume that there are 10 bags of grain, 2 chairs, 3 blankets and 10 rupee coins of gold in the entire society. The total of all these things when put together (including the rupee coins) is the wealth of the society. Only 10 rupee coins constitute money in it.

Let us suppose, their values are like this if we see all these things as values:

1 bag of grain	=	Rs.10	10 bags of grain	=	Rs.100
1 chair	=	Rs. 5	2 chairs	=	Rs. 10
1 blanket	=	Rs. 5	3 blankets	=	Rs. 15
1 gold coin	=	Rs. 1	10 gold coins	=	Rs. 10
					Rs 135

What is 'wealth' according to this list? 100 bags of grain, 2 chairs, 3 blankets and 10 gold coins together constitute 'wealth'. This is the total mass of articles or mass of products. Its value is Rs.135. Of this only 10 coins constitute 'money'.

(22) Let us suppose that there are 2 chairs with a person who

produces chairs. The value of each chair is Rs.5. We can see the wealth of the person as 3 kinds. That wealth is either as 2 chairs or when we see it wholly as money, it is Rs.10 or it is 1 chair + Rs.5. It won't be as 2 chairs + Rs.10. Which means 2 chairs and their money cannot be at the same place.

(23) Let us suppose that there are 2 rupee-coins with a woman. She purchased and ate away food stuffs with them. It appears that she spent away Rs.2. But, in fact, what she has spent is not 2 rupee coins but some food stuffs. The very passing of 2 rupee - coins from her hand makes it appear as if they are spent. But those coins are safe in another person's hand. Only some food stuffs are exhausted because a person ate them. Which means, the whole labour that was taken for producing those food stuffs (labour with a value of Rs.2) has been spent. Those stuffs would be prepared only when so much of labour is performed again. It means that whenever money seems to have been spent, what is really spent is only certain use-values. That is some labour only.

(24) A person bought a shirt with Rs.10 and the money went out from his hand. The shirt he bought was not consumed at once. It was torn after it was used for one year. Which means, that article will have been consumed by that time. If it is a chair, it is consumed in ten or fifteen years. If it is a house, it is consumed in about 100 years. Thus, certain kinds of things are consumed fast and certain others faster, certain kinds slowly and certain others still more slowly. On the whole, the whole production in the society is consumed sooner or later. No object remains forever without being spent.

(25) We have seen that the value of a commodity in terms of money constitutes its 'price'. This means, value and price are the same. However, in the daily life, we find that a commodity has 2 or 3 prices in some situations. For example, Rajarao went into a cloth-shop to buy cloth for a shirt, selected one cloth and asked, "How much is the price of one yard?".

"5 rupees", the shop-keeper said.

'Rajarao' went away taking the cloth that he needed.

'Chandram' came and selected the same cloth and asked, "How much is one yard?"

"5 rupees", said the shop-keeper.

"Don't you reduce anything?" asked Chandram.

"No bargaining", said the shop-keeper.

"Okay then", Chandram said and was about to leave.

The shop-keeper then stopped Chandram from leaving as if there was bargaining and said, "I'll give it by reducing quarter of a rupee, take it, Sir". Chandram did not agree. Finally, it was settled at Rs.4.50 Chandram took the cloth that he required at that price only. The same cloth has, in a few minutes, two prices, Rs.5 at one time and Rs.4.50 at another. What is the true price? If both are the prices of the cloth and if price itself is value, how can the same cloth have two values?

Let us suppose that the shop-keeper who sells this cloth sold 20 yards of cloth in a day. Let us also suppose that he sold it with such small difference as: little higher price for those who did not bargain and a little less price for those who bargained. Let us suppose that he got Rs.100 in all by selling 20 yards. It means that we are speaking of the 'average price' when we say that price is Rs.5 per yard on an average. The price of the same commodity may have slight variations, while selling, due to so many conditions both from the side of the buyer and that of the seller. Just because of that, it does not mean that the value of the commodity is of many kinds. In this cloth example, the value of 1 yard of cloth is only Rs.5 when that value is expressed as price (when it appears as price), it may be a little more than 5 at one time. It may be a little less than 5 at one time. It may be only 5 at one time. Which means, the same value may exist with different forms of price. If the same commodity has different prices, it does not mean that it has different values. It only means that the same value appears in different forms of price on different occasions.

Let us, here, leave the point that the same value might appear through different prices. To make things easier, let us move forward with the understanding that value and price are always alike. We will have to see many things pertaining to the relation between 'value' and 'price' in greater detail as we proceed further. All those details are not necessary here and now itself. Until that necessity is felt, let us stick to the understanding that 'value and price are the same'. Since value and price are the same, let us give up the word 'price' and use only the word 'value'.

Till now, we have seen the stages of gradual development in the exchanges of commodities. Exchanges began in a society where there were no exchanges at all and they continued in the barter system for long time. Later a commodity called 'gold' (also silver) established itself as the 'general Equivalent'. The form of money itself became the form of value. We have seen these things so far.

2) Investigations into 'value'

It is not possible to properly understand any other matter in 'Economics' unless we understand properly 'value' and its form.

The first person, who understood 'value' and 'money' completely and correctly in the history of Economics was, Marx. None of the Economists prior to Marx had proper understanding of 'value'. They all regarded value as a 'natural' thing. They thought that the possession of value by an article is akin to the possession of colour, taste, weight and height. They thought that an article cannot exist without value as it cannot exist without certain physical properties. The reason for such an understanding is that they failed to properly understand 'labour' which alone becomes 'value'.

The investigation about 'value' began as early as the beginning of the Christian era. Aristotle (384-322 BC), who studied several aspects relating to Nature and Society, was the first person to study the value of commodities. It was only Aristotle who first pointed out the fact that, the 'value in the commodity' alone appears as 'money'. He said that 'there is no difference between saying

2 cots = 1 house and

2 cots = some money.

This understanding is quite correct. While in the first example, the value of cots is the house, in the second example, the value of cots is money. It means that Aristotle correctly understood the fact that 'money is the form of value'.

Aristotle also understood that, when there is an exchange between two commodities, they have the 'common characteristic' called 'value' and the exchange is possible precisely due to that characteristic. But he could not understand what that 'value' is. However intellectual he may be, the reason for his inability to understand that 'value is labour' was the social conditions prevailing in his time.

The Greek society in which Aristotle lived was a 'Slave society' based on 'terrible inequality'. It is not possible for any human being to perceive the fact of 'human labour' until the idea of 'human equality' dawns among all human beings.

The fact that "all humans are equal" catches the imagination of human beings only when the fact - that 'all commodities, produced by

human beings, are equal' - is established. Only when social conditions are formed whereby a great part of products produced by human beings enter into exchange relations, there is a possibility wherein equality of commodities, equality of labours that produce those commodities and equality of humans who render those labours, reach the human grasp. For all this to happen, it was several hundreds of years away from Aristotle's time. As Aristotle, who initiated this investigation, was unable to understand that 'value means labour', stopped at the second step itself. His first step, at a time when there was not a least thought about value, was to perceive the fact that 'there exists some common characteristic between 2 commodities and exchanges are possible only by means of it.' That is the speciality of Aristotle at that time.

No one discovered the fact (which Aristotle could not understand) that 'value means labour' until two thousand years after Aristotle. Marx wrote in a foot-note that an anonymous economist discovered it in about 1739. The title of the book that the anonymous economist wrote is: **Some Thoughts on the Interest of Money in General and particularly in the Public Funds & C.** Neither the author's name nor the year of publication are there in the book. Based on the internal evidence contained in that book, Marx opined that the book might have been published in about 1739.

What that anonymous economist discovered is this:

"The value of them (the necessaries of life), when they are exchanged the one for another, is regulated by the quantity of labour necessarily required, and commonly taken in producing them" (Capital-1, Moscow edition, 1974. p.47)

If Aristotle discovered the fact that there is some common characteristic between 2 commodities, this anonymous author discovered the fact that 'that characteristic is labour only'. Economists, who came later to this author knew that 'value means labour only'. However, to know that 'value means labour only' is not tantamount to knowing all the aspects concerning labour. Any labour exists as 'concrete labour' only. But all labours do not exist with the same value. For example, 1 hour weaving and 1 hour medical labour do not have the same value. The difference between their values will be known only when they are converted into 'abstract labour'. Further, there is a distinction within labour, namely, 'Living Labour' and 'Dead Labour'. These labours play different roles in yielding value. We have not seen any of these issues as

yet. We will see them in subsequent chapters in detail.

What we need to remember here is that though we know that 'labour means labour only', it is not tantamount to knowing all the aspects concerning labour and value.

Another important aspect of this issue is that it is not enough to know that 'value means labour'. We should also know the fact that 'labour does not mean value'. What happens if the second aspect is not known is this: a conception, that "labour invariably exists as value", will be formed. The economist who understood only to the extent that "value means labour" will arrive at a wrong notion, namely, "value means labour. There can be no article without labour. That is, there can be no article without value". We have already seen earlier why this is wrong.

An article, though made of 'labour', may exist without value'. At a time when exchanges did not begin, production and consumption of articles took place without reference to 'value'. All the articles of that time, though made of labour, existed without value.

Not only at that time but even after exchanges commenced, a major portion of the mass of articles have been consumed until recently without entering into exchanges (that is, without reference to value).

Even today, each and every article does not go into an exchange - especially there is no reference to 'value' in the case of substances made at homes.

Articles that do not go into exchange, though made of labours, exist without values.

It means that labour is essential for the production of an article but it is not essential for a labour to transform as value. It happens only due to exchanges. If we cannot understand this, 'transformation of labour into value' appears to be 'compulsory' and thereby possession of value by article appears to be compulsory as well as natural. If the economist holds such a notion as this, it means that his conception of value is still vague and half-baked.

Even before some thought concerning value began, there had been buying and selling of things with money for hundreds and thousands of years. If we consider the persons who started the thought of 'value' as economists, exchanges and money calculations had been there even since the times when those economists did not exist.

The economist, who saw the existence of value in society, thought that "it is natural for value to exist".

At least, a question should have struck the economist who regards value as a natural property: "As all the natural properties of a thing are contained in the body of the thing, why is not value too in the body of the thing if it is also a natural property? Why is the 'value of a thing' outside the thing in the form of money?" Such a question should have struck him. Further another question should have struck him: "Things existed in the past without value. Even today it so happens that only certain things possess value and several things do not possess value. Why is it so that value exists at one place and does not exist at another place". Such a question should have struck him. Absence of such questions implies that a person called an economist has not grasped the most important questions concerning the whole economics. Not only then, even now, these questions do not strike several economists. 'Even now' means even after Marx discussed in great detail all the issues concerning value' and 'money'. Even now many economists continue to hold the view that value is the natural property of a thing.

It means that these economists who consider value as a natural property, do not have 'rational' questions and analysis. To such an economist everything appears to be a 'commodity with some value'. If we ask a chair "what are you? What is your function?", it replies, "I am a chair and I am useful for people to sit". But, when we show a chair to an economist and ask him, "what is it? What is its function?" he says, "It is a commodity of Rs.5. It may serve people to sit, but it is beside the point". Which means, this economist first sees the chair simply as 'a commodity embedded with some value', and its use-value is beside the point. The chair is more intelligent than such an economist.

Marx was the very first economist who had clearly understood 'value' and 'money'. Marx understood that labour is not value by itself and that value is the transformation of the labour, that produced a thing, into 'abstract labour' when it goes into exchange. The understanding of value becomes complete only when labour and money are understood properly. This was done by Marx in his book "Capital" (first published in 1867). In "Capital", Marx wrote in the section on "The Two Fold character of the Labour Embodied in commodities" thus:

"I was the first to point out and to examine critically this two-fold nature of the labour contained in commodities" (Capital-1, Moscow edition

1974, p.49).

In a letter, dt. 24.8.1867, addressed to Engels, Marx said,

"The best points in my book are: (1) the two-fold character of labour, according to whether it is expressed in use-value or exchange value (All understanding of the facts depends upon this)..." (Marx & Engels, Selected Correspondence, Moscow edition 1975, p. 180).

At a time when economics regarded 'value' as a natural element and as an element that exists eternally along with things, only Marx contributed to Economics a proper understanding of value. The investigation of value which Aristotle commenced before 300 BC, became comprehensive in 1867 AD through Marx. It means that a proper understanding of value reached the world after 2,200 years of commencement of that investigation.

In a 'foreword' to 'Capital', Marx said that it took more than 2000 years for the human mind "to get to the bottom" of value (Capital-1, Moscow edition 1974, p.19).

When we say that 'investigation of value' became comprehensive through Marx, it does not mean that all the economists studied what Marx had explained and grasped the truth thereof and left behind all the mistaken notions about value. There are innumerable economists who still are ignorant of value and who still regard value as a natural property.

As we proceed further and further, we will see in this book ("Capital") itself what other aspects of economics that Marx had grasped `correctly' owing to the proper understanding of the value.

Questions :

1. What is the Money-commodity in the present-day world?
2. Mention 2 synonyms of the "form of General Equivalent".
3. What is the contradiction in a commodity?
4. What is the 'miracle' of money?
5. Do you know any exchanges that take place by way of 'barter system' even today?
6. Value of 1 seer of maize = Re. 1
   Value of 1 seer of Zuzuba fruit = Re. 1

Both, the person with maize and the person with Zuzuba fruit, know this. The person with maize does not have money. Let us suppose the person with maize gave 1 seer of maize and took 1 seer of Zuzuba fruits. Is it an exchange by way of 'Barter'?

7. Do you cook at home? Do you make value calculations for that cooking?
8. Mention a few contexts wherein we use products without reference to value calculations.
9. Rs.20,000 were spent on constructing a house. Then, what are the items that have been spent?
10. Fill in the blanks:
    1) Whatever commodity stands as the 'General Equivalent', the same commodity is _____.
    2) All the exchanges that took place until money came into being were exchanges that took place by way of _____ system.
    3) The name of the form of value that appears through money is _____.
    4) Value stands independent of _____ in the form of coinage.
    5) The "silver money" received in return for a commodity is _____ than the weight of 'gold money'.
    6) To sell means _____.

       To buy means _____.
    7) Relation with money means, relation with _____.
    8) Money means _____.
    9) Social wealth means _____.
    10) An exchange that take place by way of 'Barter system' is _____ not only a _____ relation, but also a _____ relation.

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Chapter 9

Fetishism of Commodities

'Selling commodities for money and buying commodities by giving money' - this transaction, when seen superficially, appears to be something that could be understood very easily and simply. But, if we begin to examine the inherent aspects of commodities, it becomes a 'deep mystery' and 'fetish'.

If we look at a thing as a use-value, there won't be any 'mystery' which people cannot understand. Whatever thing we look at, it appears clearly that humans make use of the material found in nature and transform it by their knowledge and experience so as to suit their need. If we look at a chair, it becomes clear that people made it with wood and are using it for sitting. There is nothing in it to investigate deeply and understand. But, when a thing becomes a 'commodity' and its 'value measures' begin, thereafter its 'whole mystery' starts.

All phenomena, which appear so natural, clear, transparent and intelligible when we see an article as an article, fall into unnaturalness, unintelligibility and great confusion, as soon as we see an article as a commodity. If an article remains an article only, without buying and selling, then there is nothing in it that is secret, mysterious and unintelligible to humans. As the article becomes a commodity, the whole thing appears very strange and mysterious. As soon as we say "commodities", buying and selling, value measurements, money calculations, prices, and such numerous things which we have not yet seen, namely, profit, interest, rent, wages, supply and demand, the general rate of profit, particular rate of profit, means of circulation, and quantity of the means of circulation — surround the "commodities". In the midst of all these things, the natural aspects of the articles become concealed and unintelligible.

'Fetishism of commodities' is the situation wherein phenomena, that are quite intelligible when articles remain as articles, become unintelligible when articles turn into commodities. If an article incarnates into a commodity, the 'mystery' and the 'confusion' which that incarnation creates gradually rule all the spheres in human society.

It took several thousand years for people to discover the mystery and secrecy of a 'commodity', which they themselves produce. In the

meantime it misled a number of economists in various ways. The most important mistaken path is: the assumption that 'value is a natural property'.

It was only after Marx stepped into "Economics" that a rational explanation was found: 'that value is not a natural property of an article, that it is not its physical property, that it came to be formed due to certain circumstances in 'production relations' and that it will disappear in 'certain kind' of relations of production in future. With that, several misconceptions that prevailed in Economics got inverted and the 'fetishism of commodities' revealed itself. All the problems which remained unintelligible until then in Economics, now found their solutions.

Let us now see certain points as to how commodities create fetishism.

(1) Whether there are 'exchanges' or not, relations between people are only 'labour-relations'. But people do not understand this when there are exchanges as they do understand when there are no exchanges. When we say that "when there are no exchanges", it does not mean 'in the ancient time when exchanges did not commence'. At that time there was no idea of 'labour' itself. That idea started and (that aspect of labour) was understood only in the society in which there were exchanges. When we say that, "They understood labour", it does not mean that all people understood it. Only some thinkers concerned with 'Economics' understood it and that too in a half-baked manner. Therefore, if all people, not merely certain economists, have to understand 'labour' and 'labour relations' and even that understanding should not be half-baked but proper—all this is not possible when there are exchanges as it was possible when exchanges were not there.

Let us suppose, all persons in the society (all men & women) are performing useful labours, collectively producing various things that are necessary for all to live and using that mass of products without reference to exchanges. If it happens like that, a path is paved so that people would clearly know of human relations. Then every person would think like this - "I am doing a particular kind of work. Others are doing such and such kinds of work. Various kinds of articles are produced by that work. All of us are using all the things. We, all humans, are utilising each other's labour". This kind of perception by human beings implies that people are able to understand the 'true relations' (labour-relations) existing among people.

But, let us suppose that exchanges are taking place among all the objects produced by human beings. Then how do human relations appear to people? Let us see this in the second point.

(2) Suppose that an exchange took place between a chair and a blanket. Exchange is also a "relation of labour". To make our example simple let us suppose that the whole labour in the chair is carpentry and the whole of it constitutes the labour of the chair-person; and the whole of labour in the blanket constitutes weaving and the whole of it is the labour of the blanket-person. That is, the exchange of these objects is a relation of labour between weaving labour and carpentry labour. The chair person should realise that "while another person is using any carpentry labour, I am using his weaving labour". The blanket person too should realise in the same manner. But, it does not happen like that. That is, both of them do not realise that, "This is the relation between our labours". They realise their relation as a relation that is formed through commodities, for they see their relation being formed only by means of exchange of their commodities.

The thinking of the chair-person will be as follows: "I made the chair. Therefore, the chair is mine. I am the owner of the chair. It is natural for each article to have value. My chair too has some value. Value is that of the chair alone. (It is as if one thinks: "weight belongs to the chair, colour belongs to the chair. But, as that chair is mine, all its properties are mine!") Just as the value of the chair is mine, the value of the blanket is that of the blanket - owner. As the value of the chair and the value of the blanket are equal, I gave the chair and took the blanket. For the same reason, blanket person also gave blanket and took the chair. I have a commodity with me, he has a commodity with him. I am the owner of a commodity, he is the owner of another commodity. A relation has been formed between my commodity and his commodity. The relation between me and the blanket person is merely the relation between one commodity owner and another commodity owner" - This is the understanding of the 'chair-person'.

It is the same case with the perception of the blanket person also.

The chair-person, regarding the value of the chair assumed that "the value is only of the chair". But, how did that value come to the chair? Did the chair make itself? - No. The value of the labour of the chair-person itself is the value of the chair. Which means the value of the chair is that of the person who made the chair only. But, the chair-person

does not know that fact. The chair-person does not think that "my labour alone the value of the chair. Which means, that value is mine". Moreover, he thinks that he has nothing to do with that value and it is of that article and he is the owner of that article.

That is, the chair-person does not properly grasp the relation between him and the article which he made.

Similarly, the blanket person too.

Persons with commodities, though do not know what is value, see that commodities possess value. They see the establishment of relations (occurrence of exchanges) between commodities only through values. They see that relations between them too through the commodities only.

Which means, the relations between people who live by producing and exchanging various articles appear to those people themselves, not as labour relations but as relations between commodity-owners. That is, exchanges conceal the real relations.

(3) 'Human relations' are only 'labour relations', but not 'blood relations'. Blood relation is a natural relation. Blood relations exist not only among human beings but also among birds and animals. In this regard, there is no speciality of human beings. We have seen in the past itself that the difference between other animal creatures and human beings is only in regard to 'performing labour'. Producing things by performing labours and giving and taking labours by means of giving and taking things alone constitute the speciality of human beings. Therefore, human relations means 'labour relations' only. while blood relations are natural relations, labour-relations are 'social relations'.

'Society' is a 'collection' of 'human beings'. This collection is not like the collection of other living creatures. This is a collection that has labour-relations. The labour relations among human beings themselves are their social relations. (To understand 'society', we have to see still many more characteristics related to it. Here for the present this much is enough).

Let us suppose, a person is alone in the forest and passing his time by eating leaves or other such things. It means that the person is performing the labour of collecting substances found in the nature. Let us suppose another man, who is also living in the forest, is producing and using things and substances he requires. It means that the second person is performing more kinds of labour than the first person. The human beings

in these 2 examples are not either giving their labours to others or taking the labours of others. As these people do not have labour relations with other people, it means that people do not have social relations with others.

(4) We have seen that exchanges conceal real relations. Concealment of real relations happens more in the exchange by means of money than in the exchange by means of Barter system. Let us suppose that an exchange took place between a chair and a blanket by means of Barter system. There would be only 2 persons in this exchange. The article of the first person and the article of the second person exchange face to face. We saw in the past itself that exchange by barter is not only in the form of exchange of values but also in the form exchange of use values. There is a scope for either the chair-person or blanket-person to grasp that "we need each other's article and we are taking each other's article". Though these people cannot grasp their relation as "relation of labours", they can at least grasp that "one person's want is satisfied by another person".

However, if the same exchange takes place by means of 'money' the persons of those articles cannot grasp even that minimum point.

Let us see the transaction of selling a chair and buying a blanket with that money from the side of the chair. First the chair has to be sold. This is an exchange between the chair and money. Later the blanket has to be bought. This is an exchange between money and the blanket. By then, the chair-person gets blanket. But, the blanket person does not get the chair. The chair goes to another person.

In this transaction, the 2 things, namely, chair and blanket, do not exchange face to face. One does not see the other. Here there would be 3 people instead of 2 people as was in the Barter.

Let us see an example like this:

Person with chair = 1st person
person with blanket = 3rd person
person with maize = 2nd person
person with grain = 4th person

These 4 persons make 4 articles.

Let us suppose, the person with chair sold his commodity to the person with maize and bought the blanket with that money. Suppose the

person with blanket bought the grain with the money which he got after selling his blanket.

In this entire transaction, if we see it from the side of the person who sold the chair, it appears as though an exchange took place between the chair and the blanket since he had sold the chair and bought the blanket. But, if we see it from the side of the person who bought the chair, it appears as though an exchange took place between maize and chair since he bought the chair by selling the maize. In fact, face-to-face exchanges have not taken place here between either the chair and maize or the chair and the blanket. Every commodity had an exchange with money only. Maize with money, chair too with money, blanket too with money, grain too with money. Thus, every commodity exchanges with money but no other commodities. How did the exchange take place in this example of 4 articles? The person with maize got the chair, the person with the chair got the blanket and the person with grain got another commodity. Thus the exchanges took place. The 1st person gave his commodity to the 2nd, and took the commodity of the 3rd person. Similarly, the 3rd person gave his commodity to the 2nd person. Which means, here no two articles have exchanged face-to-face. Yet (though articles have not exchanged directly) these are also exchanges of articles. That is, even this is also 'giving an article and taking an article'. But, the relations of these articles do not appear clearly to the persons of the articles.

What has happened in the case of articles called chair and blanket? The 'chair-person' got the blanket but the 'blanket-person' did not get the chair. Whereas the 'maize person' got the chair.

When the 'chair-person' sells the chair and gets money, can he, looking at that money, know what the article is by the sale of which he got that money (that he got that money by selling maize)? He cannot know. That fact does not appear in the 'money'. What the 'chair-person' merely sees here is: selling of the chair and getting money in return to it. He thinks, "I got money because I sold the chair." But, he does not think, "There occurred an exchange between my chair and maize". It is because, he has not received maize.

Later, 'the chair person', also when he buys a blanket, sees again an exchange between his money and the blanket. He thinks, 'I bought the blanket with my money". But, he does not think, "there occurred an exchange between my chair and the blanket". It is because his chair did not go to the 'blanket person.'

Or does the 'chair-person', in another manner, think like this? - "my chair reached somebody. A blanket which someone made came to me. That 'blanket-person' too would get some other article. Thus, all the exchanges that take place by means of money are also exchanges between articles. All of us, human beings, are using article made by each other" - does he think so? The 'chair-person' does not grasp the matter with so much clarity. He is not concerned with such things as: where has his chair gone and from whom did he get the blanket. His grasp is confined to only such things as: selling and buying. "I sold my article. I bought another article with my money" - That is what appears and is intelligible to a person.

What the grasp of the 'chair-person' would be: that, when he sold his article, he was its seller and the other person was a buyer. Similarly when he himself bought the article, he was a buyer and another person was a seller. That's all. That is, how the relations between the 'chair-person' and others appear to the 'chair-person' is: that they appear as "relations formed for the purpose of simply buying and selling articles".

Relations that appear in Barter exchanges (there it appeared that one's wants were satisfied by the other) are concealed in the exchange that take place by means of money.

As all the people who produce articles are able to use their articles by means of buying and selling relations, the relations among those people appear to them as merely 'buying and selling relations'. Any person would grasp his relations with others only to that extent.

But, 'buying-selling relations' are also 'relations between articles'. All the relations between articles are 'labour relations only'. That is, all 'human relations' are 'labour relations' only.

But, people who exist in 'buying and selling relation', owing to their existence, cannot go beyond those relations and grasp the 'real relations'.

(5) 'Human relations' are labour relations only, whether there are exchanges or no exchanges. However, those labour relations exist: as 'value-oriented' relations when there are exchanges and as 'use value-oriented' relations when there are no exchanges. When there are exchanges, people always see only the relations between commodities and money. Because of this, people form such wrong notions as: "human relations are money relations only. They are always the relations formed

by buying and selling". Therefore, as long as exchanges exist in the society, relations between human beings are concealed without being clearly intelligible to human beings.

(6) In a society where exchanges exist, every person with articles sells some of the articles which he produced and, with the money that he gets in return for his article, buys and consumes other products which he wants. Therefore, in a society where exchanges exist, there is scope for an individual's labour to be used by others and for him to use others' labour only if his products are sold. Let us suppose 10 weavers produced separately and brought separately some cloth for sale. (The same kind of use-value). Suppose some cloth is left unsold. Let us suppose that the whole unsold cloth belongs to one person. (Or, suppose certain parts of all others' commodities remained unsold. The summary is the same, in whatever manner you assume). The person who could not sell his articles cannot even buy other commodities which he requires. Which means, as the commodities of a person remained unsold, all his labour relations with other persons will stop. In a society where things are used by means of exchanges, every producer has to cross a 'gulf' called 'exchange'. Only when this 'gulf' is crossed can one's labour reach another. Otherwise, even though all the things are ready, there can be no situation in which people can use them.

(7) It is the 'social character' of an individual's labour to be of use not only to him but also to others. When the utility of a person's products for others depended only upon exchange of those products, the exchange stands as a big 'hurdle' in the way of that person's labour to express its social character. Suppose a society wherein things can be used without exchanges is imagined. There won't be a situation wherein one person's labour loses its social character of being useful to others also. Which means, such a situation would never be there where human relations stop at certain stage because a person cannot give his labour to others and cannot take the labours of others.

In a society where there are exchanges, relations of individuals continue only when commodities are bought and sold and therefore, 'commodity-relations' here become the 'principal relations'.

(8) Even after 'science' discovered that it is not a natural characteristic for a thing to have value, it appears to people that it is a natural characteristic for a thing to have value. It is because that people do not get things without paying value in their daily life. When a truth is

seen not only in 'theory' but also in 'practice', only then is it established fully before all people in society. To say, that 'it is not a natural characteristic of things to have value', is to see the truth only theoretically (logically). We should be able to see that theory also in 'practice'. Which means, we should be able to use things in daily life, without any payment of value (without buying and selling). It is like 'seeing the theory, also in practice'. Only then it would be established fully.

(9) Even to those who know it logically that it is not a natural characteristic for a 'thing' to have value, it appears that 'possession of value' is a natural characteristic. It is akin to this: Even after knowing that "the sun is not revolving round the earth but earth itself is revolving round the sun", it appears that sun himself is revolving round the earth. Even though we are able to know through our senses (through the thinking power) that it is not the sun but the earth which is revolving, we will be under an illusion, if we see the sun and the earth in daily life, that the sun himself is revolving round the earth. It means that we cannot know in everyday life by our senses what we can know 'logically' by means of the same senses. It means, we can both know and not know through our senses a truth of nature which is a combination of several specialities and which is complex. It is the same case with any aspect of science. Similarly, it is the same case with 'value' aspect. Though we logically perceive that 'value' is unnatural', we get the illusion in our daily life that it is natural.

However, there is a difference between an illusion regarding a 'natural phenomenon' and an illusion regarding a 'social phenomenon'. The illusion regarding a natural phenomenon is never dispelled. But it is definitely possible to give up the illusion regarding a social phenomenon if suitable conditions are created for it.

(10) A question: several things are necessary for human beings to live. But, one individual cannot make all kinds of things. He has to take other things from others. Similarly, he has to give some of his things to others. Which means, he has to conduct exchanges. Because of that, things become commodities. This is an inevitable necessity in human relations, isn't it? How is it possible to satisfy human wants without exchanges? - This is the question. To know the answer to this question fully and correctly we have to see the contents of this book, "Capital", till the end. Without seeing all those contents, it is not possible to know the answer now itself. But, what we tell ourselves briefly, here, for the present is this: "It does not mean that, in the society without exchanges which we are imagining,

the 'division of labour' among people will not be there in the same manner as it is today. In order that things do not convert into commodities, that is, in order to dispense with the need of exchanges, the present day 'division of labour' has to be changed. We will see its features as we proceed further and further. In the relations with such 'division of labour', it would not be necessary for things to convert as commodities".

For the present, here, let us recall the 'ancient society', when 'exchanges' had not commenced at all. If we say that there are no exchanges, does it mean that things themselves did not exist? - No. Though there were things, they were used without exchanges. It was possible only because the people of a tribe lived with a 'collectiveness'. Some of them hunt, some others tend cattle and yet others gather forest-produce. All people use all things collectively. This is the embryonic form of the system in which things do not become commodities. We have to develop a lot this system, which is in the embryonic stage, by grasping several principles related to economics. It becomes possible when suitable conditions are created for it.

If, instead of producing and owning things individually, all people produce all kinds of products (necessary for the whole society) 'collectively' in accordance with a plan and consume those products collectively, it becomes possible for things not to become commodities. Which means, all the producers must be the 'collective owners' of the 'mass of products' which all the producers produced collectively. With regard to this aspect, let us see the story of 'Robinson Crusoe' which attracts all the economists.

('Robinson Crusoe' is an English novel, written by Daniel Defoe in 1719. The story is as follows: A young person named Robinson Crusoe likes sea-voyages very much. Once, while he was in a voyage, his ship was wrecked in the course of voyage because of a storm and he is washed ashore to an island. Next day, the wrecked ship also is washed ashore to that island. Robinson goes to the ship and fetches the remaining food-stuffs, carpentry tools, a few swords, a gun, some explosives and many other things from the ship on a raft. He stays on the island all alone and finally gets out of it after a long time. While on the island he made many things himself. Economists study the labours done by Robinson in that island, each in their own way.)

Robinson does a number of things in order to meet his minimum needs. He performs several useful labours like hunting the animals,

catching fish, constructing a house, cooking and rearing goats. He also does things like offering prayers. But, as those prayers do not give him any use-values, we need not concern ourselves with those things. Whatever be the variety, the number and forms of labours that Robinson performed, that whole labour was the labour of a single individual. He cannot stop after doing one labour because he does not have only one need. He cannot keep quiet by just building a house. Or he cannot keep quiet by catching fish. He has to do whatever is necessary to meet his minimum needs. As needs are different, we have to divide 'labour' variously in various forms.

If Robinson performs 10 kinds of labours, he does not do them in such equal time as: an hour each or half-an-hour each. One kind of work may require more time. Another kind of work may require little time only. It depends upon the nature of that work and upon the favourable conditions on that island. He learns from his experience how much time each kind of work takes.

Robinson fetches a watch, a note-book, pen and ink from the wreckage of the ship. When he began his life on that island, he writes out a list of the articles he needs. He also lists out the various kinds of work necessary for those articles. He would make those articles accordingly. The relationship between Robinson and the wealth (mass of articles) that he created is so clear that it is easy to understand without any difficulty. He made various articles for the various needs, by performing various labours. All these things are merely use-values to him. There is no confusion in understanding this.

Let us suppose that, besides Robinson, some more people also came to the island from the wrecked ship. Suppose, they all lived collectively, each performing a labour and all of them collectively making use of the things and substances which they made. Even then there is no confusion. Even then all those things are use-values only. What sort of relations are there among the people, is clearly known to those people.

Instead, let us suppose, that each of those people make things separately, each being the owner of his own product and conducting exchanges by way of taking an article for having given one thing. It means that all of them have fallen into the confusion of values.

If the things that Robinson made belonged to different owners and if exchanges took place between those things, enough confusion would have been created on that island since the labour times in that article were different and hence values of those things were formed variously.

A confusion that might have led to fights, slaughter and wars. In the articles, produced by Robinson, there is everything necessary to determine the value of things. But, since he is the sole owner of all those articles and his articles are not values for him, he escaped from falling into the danger of 'values'.

In order to escape from falling in to the danger of values, the most correct, scientific and lofty solution is the system in which all people produce according to a collective plan and use those products collectively.

When we say a 'collective life', it does not mean that it is possible in any epoch. It does not mean that it should have commenced at the stage of barter or at a later stage and that, only because it did not commence, human society has fallen into the confusion of values.

It also does not mean that 'collective life' means a return to collective life of primitive human beings. There are many differences between the collective life of ancient times and the proposed collective life that we are now discussing. In the ancient times, even the basics of labour were not known. The collective life of those people was nearly the collective life of people who were at an animal stage. But the future collective life we are discussing now is not akin to that ancient stage. Here, we know all facts relating to labours. Here we know all the principles of Economics. Here, productive forces are developed suitable to collective life and therefore, this collective life is such a collective life which humans form with clear grasp.

We will see in the subsequent parts such aspects as: what sort of conditions make collective life possible, and of what contradictions among people must disappear for it to become possible.

The 'process of evolution' of a society with 'value' to a society without 'value' is a protracted process that has to pass through several stages. This process commences with all the 'means of production' in society becoming 'collective properties' of the society and it has to continue until that social stage in which all humans are 'free human beings' and 'equals' instead of some being 'masters' and some 'servants'. That condition constitutes the true collective life of people. When society reaches that stage, only then the things becoming commodities will stop. As we proceed further and further, we will have to consider many 'rational' points about these aspects. Until then these issues will not be fully and correctly understood.

11) The 'material relations' of human beings are of 2 kinds:

1. Relations between human beings and Nature.
2. Relations between one human being and another. That is, relations among human beings.

Let us suppose that a person is hunting. It is a relation between a human being and Nature. Let us suppose a person is ploughing the land. It is also a relation between a human being and Nature. It means that there exists a relation between human beings and nature in every 'labour-activity'. Such issues as what sort of tools humans are performing that labour with and what is the level of their productive power come under this point.

In the same 'labour activity', there exist on the other hand, relations among human beings. Are humans performing labour separately or collectively? Is everyone working or are only a few working? In what manner are humans using the products made by labour? Are they using them by means of exchanges or are they using them without exchanges? Are some of them using more products and others fewer products? Are all humans equal or unequal? — issues such as these come under the aspect of "relations among human beings".

The 'labour activity' expresses, on the one hand, the relations between human beings and Nature and, on the other the relations among human beings.

Material relations were very minimal and limited in the ancient times when productive powers were at a very low level.

The ancient people did not yet know anything about 'nature'. The knowledge of human beings about 'nature' grew only gradually. As the knowledge of nature grew, productive powers grew. As the productivity grew, penetration of human beings into nature became more frequent. The relation of human beings with 'nature' has today become deeper and broader as a result of grasping the laws of 'nature' and making use of those laws for several needs. This sort of relationship of human beings with nature was not there in ancient times.

Similarly, the relations among human beings also were limited in the ancient times. We saw that 'human relations' are 'labour-relations' only. In primitive, tribal societies where productive forces, were at a very low level, people used to produce very limited kinds of things. Even

in regard to these things, there were no exchanges for a long time. At a time when exchanges had not begun, the people of one tribe would have labour relations with the people of the same tribe only, but not with people of other tribes. Even after the commencement of exchanges, the number of those exchanges would be very small and therefore the relations established by means of the exchanges are also very limited. In this manner, at a time when productive forces were at a very low level, the material relations among people were thus very minimal.

The minimal relation of ancient people with nature was reflected in their worship of nature and in their religious beliefs. Which means, the fact that ancient people did not know anything except a little about nature is evident from their worship of the nature.

Formation of human relations based on the commodity-values which are unnatural instead of use-values which are natural; entering of human beings into social relations with one another by debasing all the specific labours of individuals to the unique 'abstract labour' — To such a society which has these characteristics, it is very natural to have 'religions' that have the character of worshipping unnatural, unreal and "abstract man" (that is 'God'). Those religions are cent percent suitable to that type of society.

Even though people today know a lot about 'nature', since they are still caught in the web of unnatural 'commodity relations', the knowledge of these people about 'nature' has not reached the stage of throwing overboard this unnatural 'abstract' man.

"The religious world is but the reflex of the real world" (Marx, Capital-1, Moscow edition 1974, p.83).

When human beings' relations with nature on the one hand and with fellow-human beings on the other are quite intelligible without any obscurity and without any scope for contradictions, the reflection of the real world also takes a real form in thier understanding. The false reflection which had been existing so long in their understanding with regard to the real world disappears. As long as human beings' relations with other human beings and with nature continue to be unclear and confused to them, everything that reflects those relations is bound to be unclear and confused.

"The religious reflex of the real world can, in any case, only then finally vanish, when the practical relations of every-day life offer to man

none but perfectly intelligible and reasonable relations with regard to his fellowmen and to nature" (Marx, Capital-1, Moscow edition 1974, p.84).

The basis for the confusion and obscurity in the understanding is commodities only. That is 'commodity-relations'. But, it appears outwardly as if this confusion is because of 'money' and as if money itself, creates 'fetishism'. But this is not true. The fetishism that appears through money is, in fact, the fetishism of commodities. Money came into being only to facilitate the exchange of commodities and it has no speciality other than this. But there is no doubt that the fetishism of commodities shines with much glitter because of money. It is true that this glitter fades away if money is removed (if the general equivalent is removed) and the exchange of commodities is made by barter system. But, if the number of exchanges increases and exchanges take place quickly, it is not possible to eliminate money. Exchanges make the general equivalent (money) indispensable. When there are exchanges, they cannot avoid the companionship with money. As these two combine, Fetishism of commodities is bound to create more confusion. Therefore, the root-cause of all this is the 'commodity' itself and not money.

Hence, the mystery called 'value', that has woven into articles, will be dispelled only when people begin their efforts to get out of the commodity-relations and when they start forming human relations with a use-value perspective. The 'fetishist curtain' covered by value on human society moves away.

The value of an article is not such a part that cannot be separated from the thing. The fetishism of the commodity is not something which is unassailable. But, this transformation has to take place only as a consequence of the processes of development in the light of new knowledge concerning human relations.

Questions :

1. What is 'Fetishism of Commodities'?
2. Why does a 'commodity' have the 'confusion' that a 'thing' does not have?
3. Let us suppose two persons have built two thatched cottages separately in a forest and are living separately and visiting each other now and then. Suppose they sit on a raised mud platform in

front of the cottages whenever one visits the other and talk for a while. Suppose there were no relations of food between them. Are there labour-relations between them or not?

4. Give serial numbers to 6 commodities, namely, rice, cloth, chair, jaggery, blanket and shoes. Take an example like this — the 2nd commodity was bought with the money got by selling the 1st and the 3rd commodity was bought with the money got by selling the 2nd. Write down serially how each 'commodity-person' gave his commodities to 'which numbered person' and took 'which numbered commodity'.
5. Give a few examples showing the relation of human beings with nature.
6. Fill in the blanks:
   1) 'Value-relationship' means _____ relationship.
   2) The relations of human beings with commodities appear to them not as _____ relations, but as _____ relations.
   3) Blood relationship is _____ relationship.
   4) Whether or not there are exchanges, human relations are _____ relations.
   5) Human society is a collection that has _____ relations.

●

Chapter 10

Circulation of Commodities

We will see 8 points in this chapter.

1) Functions of money. 2) Circulation of commodities. 3) Circulation of money. 4) Quantity of the means of circulation. 5) Coins and symbols of value. 6) Hoarding of money. 7) Means of payment. 8) Universal money.

1) Functions of money

Money performs mainly 2 functions:

1) serving as a 'measure of value' and
2) serving as a 'standard of price'.

(1) Money serving as a 'measure of value' :

Rupee is a scale for measuring values. This 'measure-scale' is based on any metal that serves as money. As gold now stands as money, we took, as example, gold weighing 1 gram as 1 rupee (a unit). This scale has measurements that can be divided into further smaller equal parts. After the division into equal parts, the rupee remains as the scale that measures values. We can measure the values of all commodities with this scale.

Let us suppose, a weaver has produced 20 m. of cloth and is estimating its value after calculating the expenses incurred on it. He 'imagines' its value in rupees. Let us suppose, he calculated, "the value of this 20 m. of cloth is Rs.40. The value of 1 metre is Rs.2". While calculating thus, is it necessary that there should be money with the cloth? That is, should there be Rs.40 with that cloth? Not necessary. Not even a paisa need be there, not to speak of Rs.40. Why because, what is happening here is merely calculating 'how much would be the value of the cloth?' So, it is not necessary for the 'actual money' to be there. That money would be only in the 'imagination' of the person who calculates that value or else on the papers of those calculations.

While calculating the value of a commodity, money functions only as a 'measure of value' (the means of measuring the 'value'). Therefore, money then stands only as 'imaginary money' instead of being 'real money.'

(2) Money serving as the 'standard of price':

The second function that money performs is to stand as the 'standard of price'. (We should take 'value' and 'price' in the same sense. It is only a difference in words). To be the 'standard' is to be the 'proof'. To be the 'standard of price' is to be the 'proof of price'.

Let us suppose, the person who produced the cloth said, "the price of my cloth is Rs.2 a metre". Has it been proved, as soon as he said it, that its price is Rs.2? - No. If it has to be proved that the cloth has that price,

someone must take that cloth and give Rs.2. Which means, a 'sale' should take place for that cloth. That is, if the price of that cloth is to be proved, 'real money', instead of 'imaginary money', should be present in front of the cloth.

When it functions as the 'measure of value', money exists only as 'imaginary rupees' and 'imaginary quantity'. When money functions as standard of the price, it exists as 'real' rupees and directly visible money.

We have seen that the labour-time necessary for the production of gold too increases or decreases since gold is also a thing produced by labour. Which means, the value of 'gold' also (The value of 'money' also) varies. Then, is a thing whose value varies thus fit for serving as 'measure of value' and 'standard of price'? It is quite fit. Money can perform those functions with whatever value it has at a given time.

Is a measuring vessel of grain, whether small or big, useful to measure grain or not? It is useful. If we measure with the small vessel, that grain is counted in a larger number of vessels. If we measure with the small vessel, it is counted in a smaller number of vessels. Whatever may be the size of the vessel, it is the same with the value of a rupee also.

If the value of gold is in the form of rupee coin, we get a smaller number of rupees in return to a commodity. Or we get a larger number of rupees if the value of the rupee decreases.

Moreover, if the value of the rupee decreases the values of its parts also decrease or if the value of the rupee increases, the values of its parts also increase. Whether the value of a rupee decreases or increases, the difference between one rupee and half a rupee will be the same. That is, the proportions between the rupee and its parts do not change in any context. Therefore, the summary is that in whatever manner the value of money may change, money would be able to function, as usual, as a means of measuring values.

But, will the money, whose value varies, function as usual, as 'standard of price' also? Surely, it is able to function. To function as standard of price means, departure of money in return for a commodity. It is the 'measure of value' that decides first whether to decrease or increase the quantity of money that departs. If the value of the money decreases and more money than in the past has to go in return for a commodity, then more money will go. If less money has to go, less money will go.

Thus, in whatever manner the value of money may change, money can perform its functions as the 'measure of value' and as the 'standard of price' as usual.

2) 'circulation' of commodities ('exchange' of commodities)

'Circulation' means 'exchange' only. Certain problematic conditions that were not there in the exchanges of the barter system begin in exchanges that take place by means of money.

Let us suppose that an exchange took place in barter system between some cloth and some grain. The person with the cloth gives his cloth and takes the grain simultaneously. So also the person with the grain gives grain and takes the cloth at the same time. Thus, both the giving of a use-value and taking of a use-value (exchange of 2 commodities also) are completed at the same time in barter.

The situation is somewhat different in exchanges that take place by means of money. Let us suppose a weaver by the name of Venkayya gave some cloth and took Rs.2. Is the exchange of cloth completed? Not yet. The exchange of first commodity is not deemed to be complete until one use-value leaves and in return for it another use-value is received. The rupees got in exchange for cloth do not constitute any use-value. Therefore, the exchange of cloth is not deemed to be complete as soon as rupees are got in return for cloth. Let us suppose, Venkayya bought some grain with the 2 rupees which he got. Now the exchange of cloth is complete.

At first, when the cloth exchanged with Rs.2, the cloth left, rupees were received and the value of cloth is Rs.2.

Later, when the 2 rupees left and grain was received, the value of cloth is the grain.

The value of cloth was first changed into 'money form' and then into 'grain form' and therefore we say "the value of the cloth changed into two forms or made 2 transformations".

These 2 transformations constitute one 'circuit'. Only when a commodity completes a circuit is the exchange of a commodity complete. To put it in easy words, the exchange of the first commodity is complete when another commodity is got in return for a commodity.

There are 2 stages in the exchanges of a commodity.

1) Commodity changing into Money
2) Money changing into another commodity.

Commodity - Money	Money - Commodity
C - M	M - C
This is the first transformation.	This is the second transformation.

These 2 stages are 2 different transactions for Venkayya.

(1) Giving away his commodity, that is, sale.
(2) Getting another commodity, that is purchase.

The exchange of a commodity, as a whole, is like this.

Commodity - Money - Commodity
C - M - C

Its essence on the whole is:

a commodity coming in return for a commodity.

That is, 'Commodity - Commodity'

C - C. This is 'simple circulation'.

If an article is got for another commodity, then the exchange is complete.

If a seller keeps with himself the money he got by selling his commodity, without purchasing another commodity, it means that his commodity has completed its first transformation only.

If he purchases the second commodity, his commodity completes the second transformation also. If he purchases some commodity with one rupee out of the Rs. 2 which he got by selling his commodity and keeps the second rupee in his pocket, it does not mean that exchange of cloths is complete even now. Only some part of the second transformation has taken place. The exchange of the first commodity is deemed complete only when the entire money, that he got by selling a commodity, is changed into a commodity (or commodities).

The first transformation - purchase
The work commencing with the commodity - purchase
If money is given and the commodity is taken - purchase
Money and commodity - purchase
M - C - purchase

Venkayya first made a 'sale' and then made a 'purchase'. These two actions are giving him two characteristics. While making a 'sale', he is a 'seller' and while making a 'purchase', he is a 'purchaser'. That is, it does not happen that a person who exchanges a commodity is always a 'seller' or is always a 'purchaser'. That person will be a 'seller' at one time and a 'purchaser' at another time. Every person with a commodity plays these 2 kinds of roles.

In the actions, namely, 'selling the cloth' and 'buying another commodity', there are two more persons in relation with Venkayya. Venkayya sold his cloth for Rs.2, isn't it? Whose are those Rs.2? Let us suppose, they are of Rajanna. If Rajanna gave Rs.2 to Venkayya and purchased the cloth, how did Rajanna get those rupees? Let us suppose that Rajanna sold some of the wheat he had produced and got those 2 rupees. Let us suppose that he now purchased the cloth from Venkayya with those Rs.2. Let us suppose that later Venkayya purchased grain from Pullayya with those Rs.2. Later, let us suppose, Pullayya purchased maize from Seethamma with that money. If we consider here Venkayya alone (if we consider cloth alone), Venkayya has 'exchange relations' with Rajanna on the one hand and with Pullayya on the other.

There are 4 kinds of commodities in this incident as a whole. (1) Wheat (2) Cloth (3) Grain (4) Maize.

Among the exchanges of these 4 commodities, there is a link between one exchange and the other.

The 'person with wheat' purchased cloth with the money which he got by selling wheat. The money went into the hand of the 'person with cloth'. The 'person with cloth' purchased grain with the money which he got by selling the cloth. The money went into the hand of the 'person with grain'. The person with grain purchased maize with the money which he got by selling the grain. The money went into the hand of the 'person with maize'. In this manner, the exchanges of these 4 commodities have intertwined with one another as a chain.

When the 'first transformation' of a commodity is taking place, it implies that the 'last transformation' of another commodity is taking place at the same time. That is, while the 'last transformation' of a commodity is ending, the 'first transformation' of another is beginning. Which means, while commodity is passing out of 'circulation', another is entering into 'circulation'.

Here the exchanges of the 4 commodities are linked in this manner:

Wheat - Money - Cloth - Money - Grain - Money - Maize - .....
C - M - C - M - C - M - C- and so on.

A 2-rupee coin, while exchanging first with some wheat, then with some cloth, next with some grain and later with some maize, formed these exchanges as a chain. That chain can go on extending to any length.

The same coin is exchanging with several commodities, isn't it? To which commodity does it stand as a value form? It is the value form of any commodity with which it exchanges at a given time. When coin exchanges with cloth, it is the value of cloth. It continues to be the value of the cloth until it exchanges with another commodity. Later, if we purchase grain with that coin, thenceforth it will be the value of the grain. Thus, it is the value of any commodity with which it exchanges.

Besides the 4 commodities that we saw here, buying and selling of hundreds and thousands of commodities (exchanges) take place daily in the market. While a rupee-coin is changing with one commodity, another rupee-coin beside it will be changing with another commodity simultaneously. Or while some rupees (more than one rupee) are exchanging with one commodity, yet some other rupees will be exchanging with another commodity simultaneously. In this way, the sum-total of the exchanges of different commodities taking place simultaneously is the 'circulation of commodities'. If we consider a single commodity, the completion of its exchange is also the completion of its circulation.

There are some points which we should consider in detail in the 'circulation of commodities'

(1) Selling itself is buying:

Suppose an exchange took place between cloth and grain by means of Barter.

(We saw earlier that there were no such terms as 'buying' and 'selling' in the barter system. But, in order to understand things here, we are using these terms even in Barter)

If we see this exchange from the side of the cloth, it is like selling the cloth as well as buying grain.

Similarly, if we see from the side of the grain, it is selling of grain and buying of cloth too. That is, in the Barter exchange buying and selling constitute a single action. Selling one article is tantamount to buying another article. Which means, here Selling itself is buying. Buying itself is selling.

(2) Selling itself is not buying:

In exchanges through money, selling and buying are separated into different activities. Let us suppose, Venkayya sold the cloth and purchased grain with that money.

What has happened in this exchange? When the cloth was first given and money taken, it was 'selling the cloth'. Later, when money was given and money taken, it was buying grain. That is, here, selling cloth and buying grain are separated into different actions. It means, in exchanges that take place by means of money, selling a commodity and buying another commodity do not constitute yet a single action. Here, selling is not buying. They have separated and become two different actions.

(3) One sale is several purchases; several sales are one purchase:

Venkayya earned Rs.2 by selling the cloth. Should he buy a single commodity with those Rs.2? He need not. He may buy one commodity with a rupee and another commodity with another rupee. Or he may purchase one commodity with half-a-rupee and another with a rupee-and-half. A sale can thus be split into any number of purchases. Similarly, several sales can be put together to form a single purchase. Which means, the whole money got by several sales can purchase only one commodity. If one sale splits into many purchases, several sales merge to became one purchase.

(4) Sale and purchase are mutually contradictory:

Like the mutually contradictory positive and negative poles of a magnet, the sale and the purchase involved in an exchange are mutually contradictory actions.

The action of going away of the 'use-value' – Negative angle
The action of its coming – Positive angle
Sale (C-M) – Negative angle
Purchase (M-C) – Positive angle

The fact that sale and purchase are mutually contradictory does not in any way affect the 'barter'-exchanges. In this system, it is not possible only to make a sale without making a purchase. In this system, if a person sold a commodity, it means also that he purchased another commodity of the same value. Therefore, in this system, there is no scope for any 'dis-equilibrium' between sales and purchases. But, in exchanges by means of money, a scope for such a situation of 'dis-equilibrium' begins in an embryonic form.

If a person sold a commodity in exchanges that take place by means of money, it does not mean that he bought up another commodity. Let us suppose, that person kept the money with him for some time without purchasing another commodity. That is, that person simply sold his commodity but did not purchase another commodity. What happens then? The flow of the circulation of commodities halts temporarily. If a person who sold the commodity does not ever use that money, he cannot get other commodities and hence it is not always possible to keep the money completely without purchasing any commodity. It is possible to keep a part of the money for a long time or to keep all the money for some time. It means that a situation that was not there in the barter system begins in exchanges that take place through money.

The 'circulation' that takes place through money breaks through all the limitations of the barter in exchanges that take place through money, not only the sale and the purchases are separated, but also the timings and the places where they take place are also separated. While in the barter system, both the 'sale' and 'purchase' occur simultaneously in the same place, in exchanges through money sale occurs at one place and purchase occurs at another place. Thus there arises the 'scope' for 'disequilibrium' between sales and purchases in the exchanges through money. The situation, when there can be no equilibrium between sales and purchases in the course of hundreds and thousands of exchanges that take place, lead to a serious consequences that halts the stream of circulation.

3) Circulation of 'money'

As there is no money in barter system of exchanges, there are only movements of commodities both the ways. Which means, only commodities that exchange move this way and that way. But, in exchanges through money, there are movements of commodities and the movements of money as well.

Suppose that Venkayya sold some cloth for Rs.2 and later purchased grain with that money. In this whole incident, it was not only the 2 commodities that moved this way and that way but money too moved twice. First time, money comes to Venkayya from the person who purchased cloth. Second time, it goes from Venkayya to the person who sold the grain. Money thus moves twice in the incident of selling one commodity and purchasing another.

As both commodities and money move in these exchanges, a question arises regarding these movements. The question is: 'do the movements of money depend on the movements of the commodities or do the movements of commodities depend upon the movements of money? Which depends on which? Which is the basis for what?' Money movements are dependent upon the movements of commodities. Commodities are the bases for the exchanges. Commodities move even without money (commodities may move in the barter system even without money) but money cannot move without commodities.

In the example of selling cloth and purchasing grain, money does not move even the first time if cloth is not ready for sale. Money does not move the second time if grain is not ready for 'sale'. Commodities may not be ready for sale. Or the commodities that are ready may not be necessary for consumption. Thus, if the commodity does not move due to one reason or other arising from the side of the 'commodity' money also does not move. If the movement of commodities halts, movement of money also halts. It means, movements of money depend upon the movements of commodities but the movements of commodities do not depend on the movements of money. If the 'circulation of commodities' halts at any time, the reason for it is only from the side of commodities but not from the side of money.

We should here understand certain special conditions that arise from the side of the money. Sometimes a situation arises wherein there is not as much money as there should be in circulation. Even in such situations, hurdles come in the way of 'circulation of commodities'. Though these conditions appear outwardly as arising from the side of money, its root-cause will be only from the side of commodities if we examine this situation still more deeply.

The 'continuous movement of commodities' consists in unhampered exchanges of commodities by way of definite purchases following sales

thereof. Whatever be the context in which this movement is interrupted its 'root-cause' is always from the side of commodities alone.

We saw that when a commodity is purchased with money, that money serves as the 'standard of price'. If we describe this function in other words, we can also say, that money serves as the 'means of purchase'. Which means, means for buying. Whether we say 'standard of price', 'means of purchase', 'means of circulation', 'means of exchange' — all these are the same. 'Circulation of money' consists in simply the movement of money as the means for exchange of commodities.

If money has moved once, it means that the 'sale' of a commodity has taken place. If it has moved 10 times, it means that the 'sale' of 10 commodities has taken place. If a money coin is moving continuously, it means that commodities are moving continuously. Which means, movement of money is movement of commodities, But, this fact outwardly appears in a reverse manner. It appears as if 'commodities are moving because money is moving', but not as if 'money is moving because commodities are moving'. That is, it appears as if money is the base for the 'circulation of commodities'. But, this is not true. The reason, either for the unhampered or halted or otherwise circulation of commodities, is only the conditions related to commodities but not money.

4) Quantity of 'the means of circulation'

The 'means of circulation' is the means which facilitates the circulation of commodities. That is money. The 'Quantity of the means of circulation' means the 'quantity of money'.

As money, as such, does not exist in the barter-exchanges, there won't be any question related to money. But after the entry of money as the means of circulating commodities, we have to examine several aspects related to money.

Not only one or two commodities exist in society. Several hundreds and thousands of commodities exist in society. Every day there take place purchases and sales of hundreds and thousands of commodities. "How much money should be there in society for exchange with all of these commodities?" — is one of the questions related to money.

When we speak of existence of money in society where does money exist? Money exists only with people in society. Money exists with all people in society. It may exist in greater quantities with some people and

in smaller quantities with others. It may not exist at all with some people. Disregarding such differences, money existing in society is the money that exists with all people taken together in the society as a whole. It is only with that money that people purchase commodities. It is only that money which exchanges with commodities. As one coin or two coins do not suffice to get exchanges with commodities in society, we have to now see the question: 'how much money should be there?'

A commodity once exchanged with money passes out of circulation into consumption. But the same is not the case with money. It does not go out of circulation after it exchanges with a commodity. The same coin then exchanges with another commodity. It always moves in circulation, by exchanging with one commodity after another. That is the function of money-coins. A coin can exchange with several commodities on a single day. In the previous example of 4 commodities, the 2-rupee coin exchanged first with wheat, then with cloth, next with grain and later with maize. After that, it can exchange with any number of commodities in the same manner.

We say that 'the value of the commodity is realised', when a commodity is sold and when we get its value as money. ('Realisation' means that the value of the commodity has become 'true' and it has come to hand). The question of 'how much money should be there to move in circulation' depends on the totality of values to be realised at the same time.

When we say 'at the same time', we have to take as an example a week, a day or some period of time. Let us take 'one day' as an example here. Suppose that commodities having the value of Rs.100 should be realised in one day, and that every coin in circulation moves only once in a day. How many rupees should be there in order to move in circulation? There should be Rs.100. Or, if we suppose that every coin moves 2 times a day, Rs.50 are enough to move in circulation. These Rs. 50 realises commodities of 50 value in the first movement and commodity of another 50 value in the second movement and thus realises commodities with a value of Rs.100 in a day. Therefore, the quantity of money required in circulation depends upon the total values to be realised in a given time and upon the average movements of coins in that time.

In fact, coins of several values exist in circulation, as 1 rupee coins, 2 rupee coins, 5 rupee coins and 100 rupee coins and so on. Among these coins some of the coins move more often and some coins move less

often. Therefore, we have to take only an average situation. Let us suppose the coins in circulation are all of the same value, say Rs.2 and each coin moves twice a day on an average. Which means, each coin realises a value of Rs.4 a day. In that case, if a value of Rs.100 is to be realised in a day, there should be $100 \div 4 = 25$ coins in circulation. As each coin is of Rs.2 value, the total value of those 25 coins is Rs.50. According to the example that we have taken, there should be Rs.50 to move in circulation. Those coins move in circulation each day and exchange with commodities of 100 value each day.

Let us see the same example in another way. Let us suppose all the coins in circulation are of Rs.5 only and each coin moves 2 times a day. The commodities of 100 value should be realised daily, isn't it? Now, how much money should there be in circulation? If every coin moves 2 times a day, every coin realises $2 \times 5 = 10$ value a day. The total value to be realised is 100. Therefore, $100 \div 10 = 10$ coins should be there in circulation. As the value of one coin is Rs.5, the value of 10 coins is Rs.50. Even now, we get the same amount. Whether it is 2 rupee coins or 5 rupee coins that are in circulation, the total amount of money necessary to move in circulation is the same. If coins of a higher value are there in circulation, the number of coins decreases. If coins of a lower value are there in circulation, the number of coins increases. It is the same thing in whatever manner we see.

In fact, the coins in circulation will be of various values. It does not matter even if coins are of any values. If we add values of all the coins that sum should be adequate to exchange with commodities.

In order to know how much money should be there in circulation, we should know the sum total of the values to be realised — and the average number of movements of the coins. The quantity of money in circulation is that which we get when we divide the total values to be realised at a given time by the average number of movements by coins. The fact that so much money should be there in circulation applies to a given time as a whole.

The quantity of money in circulation mainly depends on 3 aspects: (1) Quantity of commodities (2) Situation of values and (3) Velocity of money circulation.

(1) Quantity of commodities:

When we speak of commodities, they are of several kinds like grain, cloth, medicines, iron and coal. The quantity (size) of any kind of commodity does not remain the same every year. If in a year, there is greater yield of grain than the past, then the value of a bag of grain decreases compared to the past. If, there is lower yield of grain another year, the value of a bag increases. The same is the case with other commodities also. The values of the units of commodities vary according to the variations in the quantities of the commodities. If the values of the units of different commodities change, their 'total' changes, when all those values are added up. It is not necessary that the quantities of all kinds of commodities should change if the total of the values to be realised has to be changed. It is enough if there is a change in the quantities of the 'leading articles' such as grain, cotton, coal and oil which are essentially required in the daily life. The values of units change and thereby their total changes.

If, without a change in the quantity of grain grown in one acre, there is a yield of grain in a bigger number of acres than earlier, the 'total' of the grain increases. But the value of a bag does not change. Thus, even if the quantity of a commodity increases, it may so happen that the value of its unit does not change. But generally, the value of the unit of a commodity depends upon the quantity of the commodity. The amount of money necessary for exchanging with commodities is dependent on the value of the units of different commodities to be sold. Thus, in determining that quantity of money, the quantity of commodities stands as the main factor.

(2) Situation of 'values':

It is possible that values of commodities either decrease or increase. Based on that, the totality of the values to be realised may vary. The quantity of money necessary for circulation depends upon the totality of values. This point is something related to the first point.

(3) Velocity of money circulation :

We have seen that money moves only if a commodity moves. Therefore, the circulation of commodities itself is 'circulation of money'. Now let us see what 'Velocity of circulation' means. Let us suppose that commodities having 100 value are sold every day. Let us also suppose all those commodities are sold at the 'same time'. Rs.100 is necessary to exchange with those commodities. Which means, there should be Rs.100

in circulation. That money moves once in a day. Let us suppose that unlike this, the sale of commodities does not take place every day and all the commodities that are necessary for a week are sold only on one day in a week. Commodities having 700 value are sold per week at the same time. Then, in the places like 'weekly markets', there should be Rs. 700 to move in circulation. This money moves only once in a week.

In this example, if we see from the side of commodities, their sale at the rate of 100 per day or the sale of 700 at a time in a week — the two are the same. Whatever may happen, the quantity or the value of the commodities do not change. But, if we see from the side of the money, 100 money will be enough for moving in circulation in case commodities are sold everyday. The same money moves every day again and again. Instead, if commodities are sold once in a week, 700 money would be necessary for moving in circulation. It moves only once in a week and remains at a standstill during the remaining 6 days. Thus, the quantity of money necessary for circulation is dependent on 'how the movement of commodity is'.

In this example, if 100 commodities are sold daily, it means that the velocity of circulation of commodities is high. Or if 700 commodities are sold at a time in a week, then the velocity of circulation of commodities is low. High velocity does not mean 'more commodities are being sold' and low velocity does not mean 'fewer commodities are being sold'. Whatever be the velocity, commodities sold daily are 100. Commodities consumed in a week are 700. There won't be any variation in the consumption of commodities irrespective of the velocity of circulation.

The velocity of money circulation is dependent on the velocity of the commodity circulation. If the latter is high, the former will also be high. If the latter is low, the former too will be low.

But, whatever be the velocity of circulation, the quantity of commodities won't vary. The quantity of money alone will vary. Hence we use the term 'velocity of circulation' only with reference to money and not with reference to commodities. It means, if the velocity of money circulation increases, less money will be sufficient to move in circulation. Or, if the velocity of circulation decreases, more money will be required. Thus, velocity of circulation changes quantity of money.

Another example. Commodities having 100 value are being sold daily once. In order to exchange with them, there is 100 money in circulation. While this is so, let us suppose that the situation changed

such that all those commodities, instead of being sold at a time, are being sold at the rate of 50 in the morning and 50 in the evening. It means that the mass of commodities that move at a time decreased and the timings during which they move have increased. If it happens thus, it means that 'velocity of circulation of commodities' has increased. It does not mean that a larger number of commodities are being sold and consumed. The 'total' of the commodities sold in one day has not changed. If we come to the question of money, 50 money instead of 100 money is enough now for moving in circulation. The same money moves twice a day. If it happens thus, it means that the velocity of circulation of money has doubled.

If we take the movement of 100 money once in a day as an example, the movement of 200 money once in 2 days implies decrease of velocity of circulation to half.

Another example: 100 commodities are sold daily at a time. For that, there is 100 money in circulation. This is the general situation. While it is so, let us suppose that this situation has suddenly changed one day. On a festival day, 200 commodities are to be sold. How should money in circulation vary in order to fulfil this obligation? It may vary in 2 ways. 1) Initially 100 commodities and subsequently another 100 commodities will be sold. If it happens thus, 100 money will be enough for circulation. The quantity of money need not increase. (2) Instead of the first way, let us see the matter in another way. All the 200 commodities are sold at a time. To fulfil this obligation 100 money in circulation will not be sufficient. Another 100-money is needed. Only if 100 money comes out of the hoarding of the purchasers of commodities will the sales be effected in the second way. But, the sales are to be increased suddenly on some day, the problem will be solved by the first way, that is, with the help of available money alone by an increase in the velocity of the circulation.

The velocity of money is dependent on the velocity of circulation of commodities whether we consider the daily existing general situation or special situations that arise suddenly and occasionally. And the quantity of money is dependent on the velocity of money circulation.

Money coins stand mutually responsible. When we say that there is 100 money in circulation that whole money would not be in the shape of coins having the same value. It would be in the shape of coins of different values such as 1 rupee coins, 2 rupee coins, 5 rupee coins and 10 rupee coins. All those coins do not move in the same manner. If some

coins move a greater number of times, some coins move a smaller number of times. Even if we consider the coins having the same value, all coins among them too do not have uniformly.

Yet, whatever manner in which coins move, coins that enter into circulation are complementary to each other. This means that there would be some harmony among their movements.

Suppose that a woman has purchased an article having value of Rs.100. She does not have 10 rupees coin with her. She has 5 rupee coins and 2 rupee coins. After purchasing the article she gave two 5 rupee coins.

Which means, instead of a 10 rupee coin moving once, two 5 rupee coins moved once each. The two 5 Re. coins together did the job that has to be done by one 10 Re. coin. Whatever be the manner in which it happened, it is the same. Or, even if she had given five 2 Re. coins, it would be tantamount to a single movement of the 10 Re. coin.

If one coin does not move, other coins move. If a coin lessens its movements, other coins increase their movements so as to be equal with that value. If at one place the velocity of a coin increases, the velocity of another coin decreases somewhere. If the movements of all coins increase, the number of coins in circulation decreases and when the movements of coins decrease, the number of coins increases.

The quantity of money in circulation thus depends upon the quantity of the commodities, condition of values and the velocity of money circulation. These 3 things are not always stable. All of them keep changing to some extent or the other. Yet these changes balance each other. Therefore, whatever way the changes may take place, the total of the values to be realised remains stable for some time without changing daily.

If we consider a country at a given time, the amount of money that needs to be present to move in circulation will be known from the requirements of circulation there. There will be some average level or the other for the required quantity of that money. If we assume that the average level is Rs. 100, the same 100 money would move again and again and goes on realising commodities irrespective of the manner in which any coin in that money moves. If we consider another period, 200 money may be necessary in that period. During that whole period

that 200 money would go on moving again and again.

In this manner, at a given time, there exists an average level to the quantity of money. During the same period, on certain special occasions, that mass may not be sufficient. Or some times, that mass as a whole may not be necessary. They are special circumstances. If the principles concerning the release of money properly are followed, it does not so happen in any country that more money will be needed suddenly in circulation and that the need for the money will be decreased suddenly.

Only during the periods of 'crises' when the production and sale of commodities are halted to a large extent, a situation may suddenly arise wherein the mass of money is not enough (This, we will see in the last volume under chapter on 'Crises'). It does not happen under normal conditions.

Certain conditions that are generally formed in relation to the 'quantity of money' may be seen as follows:

1) **Reasons for an increase in the quantity of money even though the values of commodities do not change:** either increase in the quantity of commodities or decrease in the speed of money circulation or a bit of each of those two reasons.

2) **Reasons for a decrease in the quantity of money even though there is no change in the values of commodities:** either a decrease in the quantity of commodities or an increase in the velocity of money circulation or a bit of each of those two reasons.

3) **Reasons for the quantity of money remaining the same in spite of an increase in the values of commodities:** either a decrease in the quantity of commodities in proportion to the increase in the values or an increase in the speed of money circulation in accordance with the increased values or a bit of each of the 2 reasons.

4) **Reasons for the decrease in the quantity of money in spite of an increase in the values of the commodities:** either a decrease in the quantity of commodities or an increase in the velocity of money circulation exceeding the percentage of the increase of values or a bit of each of those two reasons.

5) **Reasons for there being no change in the quantity of money in spite of a decrease in the values of commodities:** either an increase in the quantity of commodities in proportion with the decrease

of values; or a decrease in the velocity of money circulation in proportion with the decrease in values or a bit of each of the two the reasons.

6) Reasons for an increase in the quantity of money in spite of a decrease in values: either an enormous increase in the quantity of commodities, or an enormous decrease in the velocity of money circulation; or both of them.

Thus, the quantity of money depends upon several conditions which determine it.

5) Coins and symbols of value

By 'money', until now, we meant only 'gold money'. By 'coins', we meant only 'gold coins'. Even now, we have to bear in mind gold coins. If exchanges of commodities are taking place, coins also keep moving. Every coin keeps moving always in circulation, relaxing a little now and then. Coins always keep entering and leaving people's hands, bags and boxes. Owing to such movements, coins will be getting worn out little by little. A new coin, from the moment it comes out of the mint, begins to wear out little by little. If we take 100 coins in circulation and see their weights, all of them must have worn out a little bit. If some coins might have worn out more, some coins might have worn out less. On the whole, all the coins that are moving in circulation must have worn out to some extent.

Let us suppose that a 'brand new rupee' should be of a certain weight, and that it fetches 2 kilos of grain. If it is a rupee coin that has come into circulation afresh, it will have full weight. Let us suppose that it got worn out by half after moving sometime in circulation. Which means, that rupee then will have only half the quantity of gold in its body. But, then this worn-out rupee keeps moving in circulation and exchanging with commodities as it did when it was a fresh rupee. It means that this worn-out rupee will be getting the same amount of commodity which the fresh rupee gets. In fact, the worn-out coin should not get the same amount of commodity which the fresh coin gets. But no such differences exist among the coins moving in circulation.

The person with the commodity gives his commodity and takes the worn-out coin in return without any hesitation, as if it were a fresh coin, because it serves like a fresh coin when he purchases another commodity with it. Which means, this worn-out coin also gets the same amount of commodity which a fresh coin gets. The person with the commodity,

after selling his commodity, whether he takes a fresh coin or a worn-out coin, would use the coin for purchasing another commodity but would not melt it into a lump of gold and use it. If he intends to use the gold in the coin itself, the commodity-person would not agree to take the coin that lost its weight. But, the intention to take the coin is, only to buy another commodity with it and not to melt it and use it. Therefore, the commodity-person will not hesitate to take the worn-out coin.

What does it mean if a worn-out rupee, without having a full value for its body, is circulating as if it were a rupee with full value? It means that the worn-out rupee is circulating not with the value of its body but with the value which its name has. That is with the value which the name of the rupee has. (or the value attached to the name—whatever be its name—of that coin). It means that the coin is functioning, not as actual value, but as the 'symbol indicating that value'!

If commodities are to circulate, coins too must move continuously in circulation along with them. The coins which move like that must inevitably get worn out. We have to conduct exchanges with worn-out coins by recognising them as coins having full value. Therefore, a coin, even though it enters into circulation with full value at the beginning, gradually loses weight and is bound to become a symbol functioning in lieu of full value even without full value. That means, it becomes a symbol of its own full value which it had possessed once (being a symbol for itself). All this is an inevitable situation formed by the circulation of commodities.

Modern laws have recognised this 'inevitable situation'. According to these laws, those coins which are worn out to a very great extent must be with-drawn from circulation. Coins worn out a little may be retained in circulation. In order to withdraw a coin from circulation, laws have fixed a limit as to how much depreciation must have been there in its weight. Coins which are worn-out beyond that limit will not have legal recognition. Coins that have become worn-out within that limit may be recognised as equal to new coins.

A less worn-out coin may have the right to move in circulation according to law. But, that is also a worn-out coin. Leaving aside the rights conferred by the law, consider the condition in which coins have become 'symbols' of value. We will find that the function of a coin became something unrelated to its value. It is possible for a coin to function as a rupee even if it does not have the value which it should have! 'Paper

money' emerged out of the situation in which there is no connection between the actual value of a coin and the function it performs. It becomes possible for a 'paper rupee', without value, to function as a symbol of value in the place of a 'gold-rupee' just as it became possible for a 'gold rupee', whose value decreased, to function in lieu of its full value.

If gold coins themselves rotate in circulation, they might get worn-out and gold goes waste. Therefore, the gold coins may be kept safe in a place without moving them in circulation, and, in lieu of them, 'paper-rupees' may be rotated in circulation. The whole responsibility of "release of this money" is that of the government. It is the government in society that discharges this responsibility of releasing the paper money. Rupees 1, 2, 5, 10 and 100 may be printed on pieces of paper and those pieces of paper can be rotated as the means of circulation. Not only the paper money, but also coins made of cheap metals may be made as 'coins of smaller denominations'.

'Paper money' goes on moving in the circulation of money in lieu of 'gold-money' while the whole gold-money is taking rest in the government treasury' ('government bank'). 1 paper rupee exists in lieu of 1 gold rupee. As many paper rupees are present as gold rupees are required.

A paper rupee does not possess its own value. Its value lies in a gold-rupee standing behind it. As the gold rupee gets worn-out if it rotates in circulation, the 'currency-note' is doing the work of rotating for the gold coin. The function of paper money is only to that extent.

Let us suppose that a person with grain sold grain of 1 rupee value to another person. The person who purchased the grain gave the person who sold grain one 'paper-rupee'. Will the person with grain take that paper-note or not? Will he say, "while I gave you grain, why have you given me a palm-sized piece of paper? I won't take this. Give me only a gold rupee". People with commodities used to speak this way when paper-money first came into circulation. The pieces of paper did not have the value which gold-coins have. Therefore, people selling commodities used to be afraid to take paper-notes in return for their commodities. But what does a person who sells the commodity do with the money he gets in return to the commodity? He too purchases another commodity, isn't it? As it came to be understood that it is possible to buy commodities even with these pieces of paper, the fear about paper-money receded. The person with the commodity stopped hesitating to take paper-notes in

return for his commodity. When that person was about to buy commodities of other persons with those paper notes, others also stopped hesitating to take those notes. When all people agree on the use of paper money, buying and selling commodities only with the paper-money could be carried on. The paper-notes can also be used for the same purpose for which the commodity-owner uses gold-coins. For him, both the gold-coins and paper-money are the same. In case he wants a lump of gold, he can buy gold also with paper-rupees just as he buys other commodities. The amount of gold that he gets for 1 paper rupee is as much gold as is contained in a gold rupee. That is, if a person has 1 paper-rupee with him, it means he has 1 gold-rupee. Therefore, it is not necessary for a person with commodity to be concerned with the difference between gold-rupee or a paper rupee which he gets in return for his commodity. Without any hesitation, he can sell his commodity and take paper-money in return.

When paper-rupees only move in circulation, they too rapidly get old and torn. We can replace those torn notes with new rupees. It is much less expensive to replace torn paper-notes than to replace worn-out gold-coins by new coins. Therefore, paper notes getting torn is not a big problem. Paper-money thus came into circulation in the place of gold-money.

When 'paper-money' came into circulation in lieu of 'gold money', does it mean that 'paper' became the 'general equivalent' instead of gold? - Not at all. Even now it is gold which is the 'general equivalent'. Even now it is gold which serves as a vessel that measures values of commodities. It is, therefore, gold which stands as 'money' even now.

We know that money should not only function as the 'measure of value', but also move in circulation. As the gold-money gets worn-out if it moves in circulation, gold money had entrusted this second function to paper. As a paper note is performing one of the functions of real money, the paper-money too acquires the name of 'money'. This does not, however, mean that paper has come into the position of the 'general equivalent'. It is only gold that has always been in the 'position of money'.

All the gold-coins give up their 'coin-form' after the advent of paper-money. That whole gold is thereafter kept in the shape of lumps in the government bank.

As any commodity can now exchange with only paper-rupees, now the form of paper-money itself constitutes the own-form of value.

That is, if we get 1 paper-rupee when we sell 1 kilo of grain, the value of that grain is appearing as '1 paper-rupee'. The name of the 'means of circulation' in common parlance is 'currency'. Whether it is gold-coins or paper-notes that are in the circulation, both have the same name.

After the emergence of paper-money, a new rule becomes necessary with regard to the 'quantity of money' that should be in circulation. We have seen earlier about the amount of money that should be in circulation. This does not apply fully to gold-money and paper money alike.

Let us suppose that the total values to be realised is Rs.100. It means that there should be Rs.100 in circulation. That is, the mass of money should neither be more nor less than Rs. 100. It means that the quantity of money should have a minimum limit and a maximum limit.

The rule that the quantity of money should not be less than Rs.100 (the minimum limit rule) applies equally to either gold-money or to paper-money. When the total of the values to be realised is Rs. 100, sales of commodities do not take place easily if so much mass of money (Rs.100) is not in circulation. Therefore the rule of the minimum limit should be the same in relation to any money. But a difference arises in regard to gold-money and paper money in the matter of maximum limit. When the total of values to be realised is Rs.100, and if the money in circulation is 'gold money', it does not matter if it is more than 100. There won't be any problem due to it. Even if people have more gold-coins with them, they do not give more gold-coins in return for a commodity with 1 rupee value. That is, however much excess gold people may have with them, it will have no influence on the prices. But if it is paper-money and if it is more than what it should be, the result will be a rise in prices, and other effects (we will see these things in great detail in the chapter "Capitalist Price" in volume 2). What we have to realise briefly here is: After society began the system of paper money, a new rule has to be followed in regard to the quantity of paper-money, a rule that is not there in the case of gold-money.

6) Hoarding of money

If another commodity is not purchased with the money got by selling a commodity, that money does not go into circulation. Let us suppose a weaver got Rs. 4 by selling his commodity. If he puts all that money away without using it, he cannot get any of the commodities which he requires and hence it is not possible to put all that money away. Let us

suppose that he purchased the commodities that he requires with Rs.3 and put away Re.1 with himself. That is, he reduced a part of the commodities he had to consume and thereby 'saved' some money. To obstruct a piece of money thus from entering into circulation is called 'hoarding of money'.

Money is also a commodity but it is not an ordinary commodity. It is a commodity that is endowed with a special ability to become any use-value (the capacity to purchase any commodity) in seconds. If such a commodity is piled up in the hands of a person, it gives him a special power. The greater the quantity, the greater the power!

It is not possible for a weaver, a tailor, a carpenter, a potter and such other kinds of people who 'produce commodities and sell' themselves to hoard large amounts of money through their small 'savings'. If such a person is to save much more, he has to hoard money without buying even the minimum necessaries of life. It is not possible even to live if he does so. Therefore, it is not possible for anyone to hoard a large amount of money only by means of 'thrift'. There is a different way to do so. But, we are not seeing that 'way' here (We will begin seeing about it from the next part).

It is not possible to hoard ordinary things like grain, cotton, sugar etc. (things other than money) on a large scale nor is it of any use. They get spoilt in a few weeks or months. But this is not the case with money. There is no scope for it to be spoilt since it is in the form either of gold or silver or currency notes. Thus, the opportunity of hoarding money itself encourages hoarding money.

Things like grain, cotton and coal have one use value each. Grains have the quality of serving the need of food. Cotton has the quality of serving the need of clothing. Similarly, other things too have the quality of being useful in one or two ways. There is thus a 'limit' to the quality of things of this kind. There is no need to wish to have such things, which have 'qualitative limit', beyond a certain quantity. If a person has more grain than a particular quantity, that surplus part will be of no use to him. He has to sell away the surplus part and get some other thing in return. There will be no use also if he gets the other thing in excess. It is not possible for a person to use anything excessively. Therefore there is no need for a person to wish to have an 'unlimited quantity of grain' or 'unlimited quantity of cotton' or an 'unlimited quantity of shoes' or an 'unlimited quantity of bricks' or anything 'unlimited'. Things with a

'limited quality' are always needed in a 'limited quantity'. To say the same thing in other words, things with a 'qualitative limit' are useful only with a 'quantitative limit'. There is no contradiction between 'quality' and 'quantity' in the case of such things.

But the case of money is not like that.

In money, a contradiction arises between 'quality' and 'quantity'. We can know what that contradiction is if we take some money and see its quality and quantity. Let us take '1 rupee' first and examine its 'quality'. Money means 'value'. It does not have any use value. But it can change into any use value in seconds. (It can buy any commodity in seconds). Therefore, it means that money has all use values. That is the quality of money. That is, it is the quality of 1 rupee. There is no limit to that quality. Now, if we see the quantity of 1 rupee, that quantity has a limit. It is not possible to buy any commodity of our choice, with that quantity. With that quantity, it is possible to buy only '1 rupee' worth of commodities. It is not possible to buy commodities which have more value than that. It is not possible to buy, with 1 rupee, commodities having Rs. 2 value or Rs. 10 value. Even if we take Rs. 10, the quantity may be bigger but it too has a limit. With that quantity, it is not possible to buy commodities having value more than 10 rupees. Even if we take Rs.100, even then it is the same situation. Even if we take Rs. 1000, it is the same situation. However large a quantity we may take, even that quantity too has a limit. Which means, it is possible for us to buy any commodity in the 'world of commodities' with the quality of 'money' but it is not possible to buy any commodity with the quantity of money. While the quality of money is unlimited, its quantity is limited. This is the contradiction in money. It is the contradiction that provides the 'motive force' to persons who hoard money. The people who hoard money are seized by a greed to hoard money further and further and to increase its quantity further as money possesses the quality of buying any commodity but possessing the quantity of buying only certain kinds of commodities. Any quantity of money will not satisfy people who began to hoard money. However high the heap of money that they hoard, it appears to them within a limit. The contradiction between the 'qualitative unlimit' and 'quantitative limit' that lies in money keeps the hoarders constantly in dissatisfaction. Thus, the quality of traumatising hoarders with dissatisfaction lies in the same substance that they are hoarding.

Storing gold and silver is storing money. Along with the conversion of money into gold and silver and their storage, its (money's) artistic

form too developed. Instead of storing gold and silver in the form of rods and lumps, storing them in the form of ornaments, vessels and still more strange and funny objects is - storing money in 'art form'. Persons who hoard money will be eager not merely 'to be' wealthy persons but also eager 'to appear' as wealthy persons. Prompted by such eagerness, they develop the methods of using gold and silver and exhibit around themselves the collection of those strange and funny articles made of gold and silver.

As the use of gold and silver in art-forms developed, those metals established themselves as 'metals that make artistic objects'.

7) Money functioning as 'means of payment'

We saw that money performs 2 functions 'mainly'. We will now see the 'third function of money also.

Of the functions that money performs, the first one is to serve as the 'measure of value' and the second function is to serve as the 'means of circulation'. Now the third function is to serve as 'means of payment'.

Let us suppose that Venkayya sold his cloth and took Rs.2. We know that money functioned here as 'means of payment'. But, let us suppose, when Venkayya sold his cloth, the person who bought it did not pay him immediately since he had no money with him. Let us suppose that he said, "I don't have money with me now, but I want the cloth now itself. I will pay money after a week". Let us suppose, Venkayya agreed to that condition and gave away the cloth. The circulation of cloth is over but money has not yet come. It means, the sale of cloth has been done on 'credit system'.

Even though the person with cloth did not get money yet, its value was decided upon and its sale also had taken place. It is tantamount to the cloth person getting the money. But it came only in his imagination and not in reality. The cloth person imagines that he got Rs.2 for his commodity.

We saw earlier that money performs its function as the 'measure of value' always in imagination only. But money now performs its function as it 'means of circulation' also in imagination only.

Let us suppose, the person who bought the cloth paid the money to Venkayya after a week. Does it mean that the money now functioned as the 'means of circulation'? - No. The circulation of cloth had already

taken place hence money cannot now function to circulate cloth. They are now paying money to pay for the 'credit'. Therefore, it means that money has now functioned as the 'means of payment'. A new function as 'means of payment' is now created for money on account of 'selling commodities on credit-basis'.

When commodities are circulated on credit-basis, money functions both as the 'measure of value' and as the 'means of circulation' only in imagination and it exists as 'real' money only at the time of paying the credit.

The reason for the entry of 'credit system' into exchanges of commodities is the host of conditions related to the production and exchange of commodities. The production of different commodities depends upon different seasons. While certain kinds of commodities are produced daily, certain kinds are produced once in a week and certain kinds once in a year. People who produce grain and sell it once in a year buy several commodities in a year's time. They buy some of them by paying money and buy others on credit system.

Buying and selling commodities on 'credit system' becomes inevitable because of some such reasons as: the time taken for the production of various kinds of commodities is different; different kinds of delays occur in selling them and the necessity to buy commodities of others even before selling their own commodities.

'Credit' can be imagined from the barter time. Let us suppose a pair of shoes has to be taken in return for a pot. If the pair of shoes is taken even before the pot is given, it means that the pair of shoes is taken on 'credit system'. This credit is restored when the pot is given after it is produced. Thus, let any number of exchanges take place on credit-system in barter, it won't create any problem. But, the credit system creates problems in certain conditions in the exchanges made through money.

In the method of paying money immediately for commodities:

The person who sells the commodity -- Seller.
The person who buys the commodity -- Buyer.
In the method of not paying money immediately for commodities:

The person who sells the commodity on credit -- Creditor
The person who buys the commodity on credit -- Debtor

When we saw the circulation of commodities, we saw that a person

with a commodity does not always remain a seller or a buyer. Every person with a commodity not only sells his commodities but also buys others' commodities. Similarly, even when the circulation of commodities is conducted on the 'credit system', a person with a commodity does not remain always a creditor or always a debtor. Every person with a commodity is a creditor at one time and a debtor at another. Therefore, whatever be the method in which exchanges of commodities take place, its consequences are uniform for both the sides (sellers and buyers).

Money functioning as 'means of payment' (that is, credit system) creates a favourable situation and an unfavourable situation with regard to exchanges.

If a greater part of exchanges take place on credit system, a very small amount of money will be enough to rotate in circulation. Let us see one example of money, functioning as 'means of circulation' and another, as the 'means of payment'.

When Money Functions as 'Means of Circulation':

Venkayya sold his cloth to Rajanna and took Rs. 2 immediately. Then Venkayya immediately bought grain from Rajanna and paid Rs.3 immediately. Here, a sale of cloth of Rs. 2 and a sale of grain of Rs. 3 and in total sale of commodities of Rs. 5 took place. Should there be Rs.5 to exchange with these commodities? No. Not necessary. Rs. 3 is enough. First, Rajanna, who bought cloth gave Venkayya Rs.2. Then Venkayya added a rupee to those Rs.2 and gave Rs. 3 to Rajanna for the grain. That is, here, 2 rupee coin moved twice and 1 rupee coin moved once and realised a total value of Rs.5. Even in the system where money is paid immediately, Rs.5 did not have to be in circulation in order to realise a value of Rs.5 in 2 exchanges. Rs. 3 was enough. Had these sales taken place on credit system, still less money, without the need of even Rs.3, would be enough.

When money functions as 'means of payment':

Suppose, Venkayya first gave his cloth to Rajanna for Rs.2 on credit system. Venkayya took from Rajanna grain having a value of Rs.3 on the credit system. That is, both of them were indebted to each other. They can pay each other some portion of these debts without money. As Venkayya has to get Rs.2 from Rajanna, of the Rs.3, which Venkayya owes to Rajanna, Rs. 2 may get cancelled without payment. Only 1

rupee has to be given. When the payments cancel one another, that money exists as money found only in the accounts (Account money). The debts of the two parties will be settled if Venkayya gives one rupee to Rajanna after deducting 'Account-money' of Rs.2 from Rs.3 which Venkayya owed. It was enough if 1 rupee was in circulation here as the 2 commodities have been sold on credit-basis. This 1 rupee makes 1 move only.

Let us see another example:

The debts of three persons are like this:

	Rs.
The 1st person has to pay to the 2nd	– 90
The 2nd person has to pay to the 3rd	– 50
The 3rd person has to the 1st	– 80
Total debt	–220

Should there be Rs. 220 in circulation if all these debts are to be settled? - Not necessary. Very little money is enough. To know how much should be there, we have to see like this:

The 1st person has to get 80; He has to pay 90; Results is – 10

The 2nd person has to get 90; He has to pay 50; Result is + 40

The 3rd person has to get 50; He has to pay 80; Result is – 30

That is, if the 2nd person gets Rs.10 from the 1st and Rs.30 from the 3rd, total Rs.40, the debts will be settled. In this example, real money of Rs.40 only was required after a large part of the total debt of Rs.220 was accounted as 'account-money'. If the sales of these commodities are to be taken place on the basis of immediate payment, instead of credit-system, more than Rs. 40 would be required to rotate in the circulation. Therefore, it would be possible to reduce the money in circulation, if the purchases and sales of commodities take place increasingly on 'credit system'.

When we say 'credit', it is not only the 'commodity' that is given on credit but 'money' is also given on credit. If money is not taken immediately after the commodity is given, that is giving the commodity on credit basis. If the commodity is not taken immediately after money is given, that is giving money on credit. Whenever we speak of 'credit' both the methods are followed.

When we saw the question as to how much money should be there to move in circulation, we saw earlier that there should be as much money as can cover the total of values that has to be realised at the same time. We have to see this principle in further detail by adding this question of credit also to it. If we take a fixed period of time, out of the commodities that are sold in that period some commodities are sold on credit basis and hence the money, related to them, need not be in circulation at that time. But some money is required to pay the debts that become due on that day itself. Therefore the amount of money that needs to be in circulation depends upon all these factors.

As long as that 2 activities — producing commodities and consuming the entire produce as usual — are properly carried out, sales on credit basis also take place properly and less money is enough for circulation to proceed. It means that credit system serves 'well' as a way to economise the means of circulation.

But this situation of continual occurrence of transactions of circulation with less money leads at times to the problem of 'shortage of money in circulation'. It is a problem that could be called 'money crisis'!

Owing to the credit system, a confusing situation is being formed in exchanges. If the person who buys cloth does not pay money immediately, from where would he get that money later? He gives it after selling his commodity (e.g., maize). Which means, the maize person bought another commodity (cloth) even before selling his own commodity with the money that he would get after selling it. It means that maize completed the second metamorphosis even before the first metamorphosis is completed.

In another example, a person took money on credit, saying that he would give his commodity later. He bought some other commodity with that money. How would he clear that debt later? He repays it by giving his commodity after it is produced. That is, both selling the commodity even before it was produced and buying some other commodity with that money have taken place! Which means, 2 metamorphoses have taken place even before it was produced. Thus, in the exchanges that take place on credit basis, there arise situations wherein some commodities complete the second metamorphosis before the first metamorphosis and some commodities complete both the metamorphoses before their production itself. In this way, the credits and debts of the persons with commodities thus get intertwined with each other in this entire circulation of

commodities. At an each interval of time, a 'residue' is formed after deducting those debts that cancel each other in the whole society and then, 'real money' is required to pay for that residue. When the quantity of money in circulation is not enough to pay for that residue, the problem of 'shortage of money' arises.

There is a contradiction in money functioning as the 'means of payment' (in the credit system). This system can economise the quantity of money to a great extent. But the same situation creates a serious problem of shortage of money.

The problem of 'shortage' of money appears outwardly as a problem that arises from the side of 'money'. But, in reality it is a problem that arises from the side of commodities. We will see this point in the chapter on "Crises" in volume 3.

8) Universal money

Whatever country we may take, its 'gold-money' will be in the 'government bank' and its 'paper-money' is in circulation. If the name of the money in one country is 'rupee', the name of another country may be 'pound' and the name of the money in a third country may be 'dollar'. Likewise, money of each country has a separate name.

The paper-money of a country circulates as money only within that country's frontiers. If it crosses the frontiers, it is equal to pieces of paper. It will not have any recognition as money outside the country. Why? Because, all the countries do not have a single government, a single treasury and a single money accounts. Each country has its own different money accounts. We have already seen that 'paper money' in any country does not have its own value and that the paper money will have value only when it is backed by 'gold-reserves'. Therefore, if the paper-money of one country goes to another country, it won't have any recognition as money there.

Just as the commodities of one person are bought by another person within a country, so also the commodities of one country are bought by the persons of another country. Let us suppose, a person of 'rupee-country' bought some cloth from a person of 'dollar-country'. The person of the country with 'rupee currency' cannot offer 'rupee notes' to the person who sold the cloth. He must give only gold in accordance with that value. Only when the foreigner takes gold, it means that he got the money in lieu of his cloth.

Suppose the 'rupee country' purchased commodities from the 'dollar country'. Suppose gold coins are in circulation in the 'rupee country'. Can the 'rupee country' give its gold coins to the 'dollar country'? It can give them because it is only gold. But, those coins must have to convert into a 'lump' after going into the 'dollar country'. Why? Because: if they continue to exist as 'rupee coins' even in the foreign country and their shape, their name will not be suitable to move in the circulation of the foreign country. Therefore, no country puts the foreign coins in its circulation. If one country has to give money to another country, it has to give only the 'lump of gold'. Or if it gives coins, the foreign country melts them into a 'lump'.

If the persons of the country with 'rupee-currency' buy from the country with 'dollar-currency', the person of the country with 'dollar-currency' also purchases from the 'rupee-country'. Sales and purchases take place from both the sides. After an interval of time, one country will have to give to the other some amount after deducting debts that cancel each other. That should be given in gold only.

Assuming that only gold-coins are in circulation in all the countries, they will be in different shapes in different countries. Or, if we assume that the same 'paper-money' is there in all the countries even that money would be in different shapes in different countries.

The 'shape of money' of a particular country is the 'form of value' for commodities of that country. The value of any commodity in a country with rupee-currency is in the 'form of rupees' only. The value of any commodity in a country with 'dollar currency' is in the 'form of dollars'. Likewise, the value of commodities in a country is in the form of that country's money. That is, the form of value in one country is not similar to the form of value in another country. Value takes shape seperately in each country.

Suppose that the commodity of one country leaves its country, crosses its frontiers and steps into the outside world. Then, what does it mean if lump of gold comes in lieu of that commodity? It means that since that commodity crossed the frontiers of its country, the value of that commodity too should abandon the form which it assumed in its country and assume the form of 'General Equivalent' (which is the form of value for the whole world of commodities), that is, assume the form of 'lump' of gold.

'Universal Money' is the money related to the whole world. Universal money is the gold that does not take the form of any coin.

'Universal money' is not only 'gold' but also 'silver'.

Universal money exists as the 'measure of value' as the 'means of circulation' as the 'means of payment' related to entire world and as the 'form of value' for all the commodities through-out the world.

Questions :

1. When 2 kinds of heaps of grain are measured with a seer-measure vessel, the first heap was of 6 measures and the second heap 8 measures. How many measures will there be when those heaps are measured with a half-seer measure? Or, how many measures will there be when heaps are measured with a 2 seer measure?
2. The value of a commodity is Rs.2 at one time. How many rupees will it be when the value of the rupee is halved?
3. A commodity, after exchanging with money, goes into 'consumption' without remaining in 'circulation'. But a money-coin remains in circulation even after exchanging with a commodity. Why?
4. The person with grain sold 1 kilo of grain and took 1 rupee. Later, he bought some jaggery with that rupee. What is that commodity whose value this rupee coin represents?
5. 'Selling cloth and buying another commodity' constitute a single transaction in the 'Barter' system. But 'selling cloth and buying another commodity' get separated into different transactions in exchanges that take place by means of money. Explain how this happens, taking 2 commodities.
6. "Money functioned imaginatively as a 'measure of value'". Give one example.
7. "Money functioned as the 'standard of price' that is, as 'real money'". Give an example.
8. Selling itself is buying — when ?
   Selling itself is not buying — When ?
9. 'One sale is several purchases' — Explain this fact with the example of a commodity (Mention the name of a commodity, say how much money you got by selling it and say what commodities you bought

with the various portions of that money).

10. "Several sales are one purchase" — Explain this fact also mentioning the commodities and their values.

11. What is 'thrift'? Let us suppose that a weaver weaves some cloth everyday and gets Rs.10 by selling it. Can that person save that all money? Is there any 'natural limit' to the saving?

12. We cannot buy a commodity having Rs.6 value for Rs.5. Why?

13. A hungry person feels satisfied after eating a bellyfull and refuses to eat more. But, if the same person begins earning money, when does he say 'the money is enough'?

14. What is meant by 'storing money in art-form?'

15. What is 'credit system'? Is it possible for it to exist in the 'Barter' system? If so, how?

16. Money-relations among 4 persons are like this. The 1st person has to give Rs.20 to the 2nd person and Rs.90 to the 4th person. The 2nd person has to give Rs.30 to the 3rd person. The 4th person has to give Rs.50 to the 1st person and Rs.40 to the 2nd person. The 3rd person has a to give Rs.10 to the lst person. If all these transactions are to be settled, 'who' has to give to 'whom' and 'how much'?

17. Fill in the blanks:

    When money functions as _____, it remains only as money, but when it functions as _____, it remains as _____ money.

18. Which of these is correct?

    1) When we get a 'paper-rupee' in return for some amount of grain, it means that the value of the grain and the value of the 'paper-note' are equal.

    2) Movements of commodities depend on the movements of money.

    3) When the money-coin moves 2 times, it means that the sales of 2 commodities are made.

    4) The entire 'paper-money' in the world constitutes 'Universal money'.

19) Have you ever seen a 'silver rupee' or 'gold-rupee'? Have you at least heard about them?

20) Do you also have the desire to 'hoard money'? If so, why?

Attention !

Even after 10 chapters lapsed since we began reading this book (Capital) terms such as 'Capitalists' and 'workers' have not fallen on our ears. All these 'characters' come on to the stage from the second part. To understand these 'characters' and their 'relations', all the things that we saw in these 10 chapters are necessary. 'Use-value', 'Exchange-value', 'productivity', 'value form', 'money' etc. are the fundamental concepts in Economics. We can go to the concept of 'capital' only after understanding these basic concepts. Unless we know what is meant by 'value' and what is meant by 'money', we cannot examine 'Capital'.

Examining 'capital' means examining the 'Capitalist Mode of Production'. That is, examining 'Capitalist Society'. While examining 'Capitalist Society', whenever occasion arises, we will also examine briefly the past societies. Besides that, we will also examine, at a theoretical level, the 'new form of society', that will emerge after the capitalist society. It means, in the process of examining 'capital', we will see the 'process of evolution of human society'.

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PART 2

Process of Capitalist Production

Chapter 1

Profit

A person, with the intention of producing and selling a 'commodity', first takes some money and proceeds to the market for purchasing raw materials etc. He purchases in the market whatever is necessary. He also engages workers, who are required for the work.

Later, he begins making these workers 'work' at a work-place. **(When we speak of 'workers', we have to assume that there are not only men but also women and children are included in it).** That person pays them 'wages' once in a week or once in a month or at some interval. After some days, the commodity is produced. Now it is ready for 'sale'.

Let us suppose that the person has taken the whole product to the market and sold it completely. Then, would the money that comes into his hand be more than what he had spent initially or would it be less or would it be the same?

Let us call that which is spent for the commodity the 'capital'.

He who invested the 'capital' is the 'capitalist'.

'Workers' are 'labourers'.

Let us assume that the labourers do all the work related to the production of the commodity and that the capitalist doesn't do any of it.

Let us suppose that the amount spent by the 'capitalist' in getting the commodity produced is Rs. 100 (80 on the raw materials, etc., and 20 on the wages). After selling the produced commodity, would the capitalist be getting only Rs.100 or more than that?

If the capitalist gets back exactly the same as he had spent, why should the capitalist bother himself at all with all this? Is it to earn back only Rs.100 that he had spent Rs.100? If it is so, could he not as well have kept the amount of Rs.100 with himself, instead of entering into this affair? However, no capitalist will act like that. Every capitalist knows quite well that he would be getting 'more' money than what he had first spent, if he could get a commodity produced and sold.

Spending 'money' and earning 'money' again would be meaningful only if the size of what comes back is more than that of what the capitalist spent. If the 'second' money were not 'more' than the 'first' money while earning 'money' with 'money', the very process of getting a 'commodity' produced and sold would not have arisen in the world at all. The fact that 'when a commodity is sold', more money would be received than what was 'spent', does not need much discussion here. For, the capitalist and his economists too would accept it. They give crooked answers only when they have to explain the source of this 'excess', but they do not deny that the capitalist gets more than what he had spent when he sells the 'commodity'.

There is no dispute regarding the fact that more money is received through the sale of a commodity than the 'capital' invested initially the sale of a commodity. That is, when the commodity is sold, the entire 'capital' invested for it comes back and even some 'more' money comes along with it. Let us call this 'excess' 'profit'. Now our main question is: How does this 'profit' come?

Let us suppose that the commodity which our capitalist got produced, spending Rs.100, is 100 metres of 'coarse cloth' and since more than Rs.100 must come consequent on its sale, let us also suppose that Rs.120 came. It means, Rs.20 more have come. How did this `excess' come?

'Money' means - 'value'.

'More money' means - 'more value'.

When the capitalist sells the cloth made of Rs.100, a sum of Rs.120 comes. "How did this 'excess' value come?"- The answer to this question comes immediately thus: "It accrued because the cloth has been sold."

It is of course true that 'the excess has come out of the sale.' If the capitalist has not sold, it is not possible to part with the cloth and get money in return. If the capitalist has not sold it, the produced commodity in its entirety remains with the capitalist himself. No capitalist would keep his commodity with himself without selling it. In fact, the fellow called 'capitalist' gets a commodity produced mainly for 'sale' but not for his own use in its entirety. The capitalist might use a part of it for his 'domestic needs'. The process of the formation of 'value' of a commodity remains the same, whether that commodity is used in the house of its own capitalist or in the house of other capitalists, or in the houses of labourers. If we assume that it took '2 hours' labour' to produce a metre of coarse cloth, the labour-time spent for it remains the same, whether it is sold outside or used at home. Even if the capitalist himself uses a part of his own commodity, the labour that had gone into that part does not get reduced or disappears altogether. Even that part also remains as something produced by labour. However, when the capitalist himself uses his commodity, he does not pay money to himself. Even if he does not pay to himself, even then that part is made of labour. It implies that the capitalist used for himself the same amount of value of the commodity, which that commodity gets if sold outside. Such questions as 'how much in a commodity was used by the capitalist' or 'did he use it at all or not' are not relevant in this context wherein we are examining as to 'how the

produced commodity accrued more value'. There is no connection between those questions and the process of the formation of value.

Here, in order to make the example easy, without zigzaggedness, let us assume that the capitalist had sold out the entire cloth which he got produced. Let us also assume that the entire cloth has been sold out and Rs.120 have been received. The most important question here is: Why did that cloth fetch Rs.120? Did the commodity fetch Rs.120 only because it possessed the value of Rs.120, or did it fetch Rs.120 even though that commodity did not possess that much value?

This question is not a question posed for killing time. It is 'basic' to the whole of Economics. "Understanding the problem of value" depends on the answer to this question only. Further, "Understanding society" also depends on this answer only.

If we say that "the cloth fetched Rs.120 simply because it has the value of Rs.120," then, a question arises. The question is this: "The capitalist had initially spent 100 only, isn't it? Then, how did more value, than the 100, accrue to the commodity which was produced with an expenditure of 100?" This question needs an answer. Or, if we say that, "the cloth does not have more value than 100. Yet, it secured 120", another question arises thus: "How did so much money come even without having so much value?". Again, this needs an answer.

We gave the "excess value", which is acquired by the capitalist by means of selling a commodity, 'the name profit'. Our investigation is about this profit only. Bourgeois economists had never deeply examined the 'profit'. They were afraid of facing truths if they proceed deeper by piercing into the matter. They left the question of 'profit' with a superficial examination, just as they did in the case of every other matter. The question of 'profit' did not appear to them as one that merits special examination. Why? Because their outlook is that, "when a person advanced some capital, got a commodity produced and sold it, should he not get some amount of 'profit'? Why does anyone advance capital if he gets back exactly the same amount that he spends? Therefore, when a commodity is sold, more money than what was spent on the commodity must be secured. What is there to discuss in this matter?" 'Getting profit' had been settled as a 'legitimate right' of the capitalist in their view. Hence, the question of "what is the source of profit?" does not appear to them as a point of discussion at all. But as long as a 'question' exists, it goes on demanding answers. Therefore, an economist cannot escape from giving

some answer or the other to this question of 'profit', which is related to the field of economics. That is why they have given various answers.

If we ignore an issue without paying special attention to it, that too constitutes an answer. It is a silent answer, which means that the problem need not be discussed and that there is no problem at all. Even those economists who paid little attention to the problem said nothing. All their answers are the same as those of the capitalists: "profit is acquired through the sale of the commodity."

It is acquired through sale, OK. But, was so much money received just because the commodity possessed that much values? Or, was so much money received even without the commodity possessing that much value? This is the issue that has to be settled.

Why should 'profit' accrue if the commodity is sold? What is 'selling'? - Giving 'commodity' and taking money. That is, an exchange between 'commodity' and 'money'. When exchange takes place, both the sides have equal values - this is the 'law of value'. According to the 'law of value', exchange takes place between equal values, isn't it?

Bourgeois economists do not lend their ear to such questions as: "how is `excess' money received in return to the sold commodity if it has less value? Why does `profit' accrue from the sale?" They simply chant the law of value that, "only equal values are exchanged," but they do not follow its laws while speaking.

The answers given by capitalist economists to the problem of 'profit' are mainly of 3 kinds:

1) The capitalist purchases raw materials etc., cheap but sells the finished commodity 'dear'. In this way 'profit' is acquired due to the 'intelligence' and 'knack' of the capitalist.

2) The buyer of a commodity pays more money than its value since he buys it because he needs it very much. 'Profit' is thus acquired.

3) The capitalist 'adds' some more than what he had spent on it and sells the commodity. Owing to this, 'profit' is acquired.

These are explanations offered by the capitalist economists for the 'fact of profit'. They don't give any answer to the question of 'profit'. Because, they also in fact do not know how profit is acquired. They see capitalists getting profits (getting more than the capital invested) on selling commodities. Imagining the probable reasons for it, each of them gives

whatever answer strikes him. Let us now see serially whether those answers are logical or not.

1) Regarding the argument that 'profit' is acquired since the capitalist either buys his raw-materials cheap, or sells the commodity dear, and does whichever of them is possible or does both the things if possible; that he gets 'profit' only because of his very 'clever ' and 'crafty' deals: This is by no means an explanation offered by a stupid trader. This is an explanation offered by 'intellectuals' who are 'economists'. In their view, this is a highly 'scientific' explanation for profit. As buying cheap and selling dear are things that are seen on many occasions in the market, they see such things and think that the formula of profit is simply 'buying cheap and selling dear'.

According to this formula, our 'cloth-capitalist' had initially purchased the raw materials etc., quite cheap. We supposed that the fellow had spent 80 for them, isn't it? It, therefore, means that their value was not 80, but 100. The wages paid to the workers were 20, isn't it? In all, the cloth capitalist spent 100. We have to assume that the capitalist got things, which really have a value of 120 for only 100. But he sold it for 120, while selling the finished cloth. Owing to that, he got a profit of 20. That is, only because of his 'crafty' purchase of raw material worth 100 for 80 only, this 20 profit accrued. This is the formula of profit according to them.

If the 'cloth-capitalist' displays his craftiness not only at the time of the purchasing raw-material, but also at the time of selling his commodity, he could have sold it for more than Rs.120, isn't it? Were it possible to get 'profit' by means of such craftiness as buying the commodity of another quite cheap and selling his own commodity quite dear, why stop at a profit of only Rs.20? Could he not earn 20 hundreds or 20 thousands? Do we have to think that the 'craftiness' of our fellow is limited to the point of gaining only Rs.20? Then we have to stop investigation about the 'labour-time' in order to find out the 'values of commodities' and start research about the crafty methods of capitalists, such as— "how does the 'craftiness' originate among the capitalists? How do they develop it? Why is the craftiness of one person greater than that of another person?" - isn't it?

To grasp the incoherence of the argument that, "profit is acquired by purchasing at cheap rates and selling at costly rates", it is enough to

grasp the fact that every capitalist acts as a 'purchaser' at one time and as a 'seller' at another time.

Every capitalist who gets the 'commodity' produced has to purchase first the raw materials etc., from the other capitalists only. Then this capitalist stands as the 'purchaser'. Similarly, after his commodity is produced, he has to sell it to the other capitalists. Then this capitalist stands as the 'seller'. (Some kinds of commodities are sold to labourers also but let us take here only the capitalist. They have to sell their commodities to each other. That is, each has to purchase the other's commodity.)

That is, every capitalist not only 'sells' but also 'purchases'.

The Law of getting 'profit' has to explain not only 'how the profit accrues to any one capitalist' but should be able to explain 'how the 'profit' accrues to all the capitalists'. The law of profit should apply to all the capitalists alike.

If a capitalist is gaining profit by purchasing cheap raw materials he needs, does it not mean that another capitalist is incurring loss by selling them cheaply? Likewise, if one capitalist profits by selling his commodity dear, does it mean that another capitalist is put to loss by buying it dear? Then, if the 'law of profit' of one capitalist is the 'law of loss' to another capitalist, how could that be a general law (applicable to all) that can explain profit?

Can a capitalist make the purchases and sales according to his wish? If he wants to sell his commodity 'dear', can he sell in the same manner? If one fellow wishes to sell dear, will the other capitalists also purchase like that?

Similarly, can a capitalist buy the commodities of other capitalists 'cheap' if he wants so? Do all the other capitalists sell their commodities cheap to him?

If a capitalist has the right to gain profit by buying cheap from others, others also will have the right of buying cheap from this fellow and get profits. Therefore, let us suppose that, all of them are selling their commodities 'dearer' than the 'actual value' or buying the commodities of others 'cheaper' than the 'actual value'. What happens then? If a fellow while selling his commodity, increases the actual value at the rate of 10 per hundred and sells dearer, he will also, while buying the commodities of others, give at the rate of '10 more' per 100 and buy 'dearer'. What is

the result if he sells his commodity worth 100 for 110 and buying the commodities of others worth 100, for 110? This is akin to selling his own commodity worth 100 for only 100, and buying the commodity of others worth 100 for only 100.

Or, another example. If he buys the commodity of others 'cheap' at 90 and also takes his own commodity worth 100 and sells it 'cheap' for 90, what will be the result? It is akin to selling his own commodity worth RS. 100 for 100 only and buying others' commodity worth Rs. 100 for 100 only.

In this manner, a capitalist, if he wants to sell dear, he has to buy dear. If he wants to buy cheap, he also has to sell cheap.

Contrary to this, if any capitalist says to the other capitalists thus: "I will sell dear to you. You sell cheap to me." Such a law is not valid anywhere. When all the owners of commodities sell to each other at the same rate, either for profit or for loss, the result would be the same for all of them. Therefore, for every fellow, the profit in buying and the loss in selling or the loss in buying and the profit in selling would balance each other. Finally, it amounts to buying and selling a commodity at its own value. It only means that, when capitalists buy commodities from each other and sell commodities to each other, they carry on 'exchanges' between 'equal values' only. They take money of the same value, which the commodity that they gave has. Both the values given and the value taken remain equal. That is, the capitalist obviously does not get his 'profit' either at the time of selling or at the time of buying commodities. The general law is that commodities are sold only at their 'actual value'. Only that value which a commodity has and no greater value than that will come back from the buyer of a commodity. It means that 'profit' is not derived from the person who purchases.

It does not, however, mean that capitalists never indulge in buying cheap and selling dear. There will be some such 'special' occasions in the 'sales' of commodities. Every capitalist dreams of buying cheap whatever he buys and selling dear whatever he sells. For this, he indulges in deceit and fraud. He will be benefiting to the extent that his deceit and fraud succeed. But, all such occasions are only 'special'. The profits gained on such special occasions are secondary profits. The profit gained by the capitalist increases when this secondary profit is added to the profit gained primarily.

Here, we should look for the cause for the primary profit, but should not treat the means of gaining secondary profits as that of the primary profit.

The primary profit may also be called 'General profit'.

A capitalist who has gained great skill in business transactions and reached the peaks in the 'art of cheating' might well get some secondary profit along with 'general profit'. Another fellow, who is not so 'tactful', may not get any secondary profit at all. But, 'primary profit' accrues even to that capitalist who is 'tactless'.

Secondary profit is wholly dependent upon fraudulent practices in buying and selling (we shall see those fraudulent practices later). But, the case of 'primary profit' is not like that. There is no way of acquiring it from others at the time of buying and selling commodities. It should result even when exchanges take place only between equal values.

Two conditions have to be fulfilled when the 'commodity' is sold.

1) Exchange should take place only between equal values.
2) 'Profit' should result from that exchange only.

If we discover 'how this is possible', it means that we have found out the real way to 'profit'.

Let us suppose that the actual value of a cloth is Rs.5. If we sell that cloth and take Rs.5, it is an exchange of 'equal values'. Though the cloth is sold at its actual value, the 'primary profit' comes out of it (actual value) only. Let us suppose it as 2.

If the cloth is sold at 5, primary profit is 2. There is no secondary profit.

If the cloth is sold at 6 by some fraudulent way, 'primary profit' is 2 and the secondary profit is 1.

If the cloth is sold at 4 due to some reason, the primary profit decreases. It is 1 now. There is no secondary profit.

Either to get the 'primary profit' or 'the secondary profit', first there should be a 'commodity' with 'some value'.

Every commodity will have some 'actual value'. The real reason for the 'primary profit' is the same reason due to which profit accrues even when the commodity is sold only at its 'actual value'. It is not such

that it applies to one capitalist and does not apply to another capitalist. That is why it is the general law of profit. (We will look at it later).

As every capitalist stands as a 'buyer' from one angle and as a 'seller' from another angle, the argument that profit is obtained by means of selling his own commodities 'dear' and buying others' commodities cheap would become meaningless.

2) Consider the second argument: "as the purchaser of the commodity purchases it only because of his 'need', that person pays for it 'more' than the 'actual value' and that excess is the 'profit' for the seller of the commodity".

"Paying more because of the 'need" - appears to be a 'new' argument. But, even this is also akin to the first argument seen a while ago.

The answer that every capitalist acts as the 'seller' and as the 'purchaser' is suitable for this (argument) also.

Every capitalist will have the need to sell his commodities to others as well as the need to purchase the commodities of others.

Should a capitalist— who, while selling his commodities to others, charges more value from others because they "need" his commodities— also not pay more value while buying commodities from others, because he "needs" their commodities? Would not the profit out of sales and the loss through purchases get cancelled? How can the capitalist earn 'profit' in this manner?

Moreover, while the sale of a commodity takes place, the so-called 'need' exists not only from only one side but also from both the sides. If the buyer is in 'need' of the commodity, the seller is in 'need' of money. If the buyer parts with money for the sake of the commodity, the seller parts with the commodity for the sake of money. Both of them have their own needs. If the buyer is prepared for the sake of a certain portion of the commodity more than its actual value, the seller has to be prepared to give for the sake of a certain amount of money more than the 'actual commodity'. If one gives more money, another gives more commodities. Exchange between more money and more commodities implies sale of a commodity at its actual value. If commodities are sold at their actual values, the seller of a commodity won't get the profit from the buyer.

But, such things as: "buyers of commodities paying more than the 'actual value' owing to the 'need' and sellers of commodities too selling for less than the actual value owing to the 'need'"—do occur sometimes in the exchanges of commodities. Purchasing by paying more on account of 'need' means purchasing 'dear'. Selling for less on account of 'need' is selling 'cheap'. These are things, which we saw, in the first answer. All such occasions as these are only 'special' occasions. Those things do not always happen. It goes against the very law of value that the buyer of commodities always buys at a higher rate. If such a law exists, it applies to the commodities of all capitalists and does stop after applying to the commodities of one capitalist alone. If it should happen that a buyer must pay more, all should buy like that. Its result would only be that all commodities get exchanged for their actual values. Therefore, things such as 'paying more or less according to need, (that is things like buying 'dear' or 'cheap') must be seen only as special occasions. Profits gained due to special circumstances are secondary profits. This point is also not useful for explaining the primary profit.

3) Consider the argument that "a capitalist sells his commodity for the amount which includes his expenditure for its production and 'some more' which he 'adds' to it; and if the initial expenditure is subtracted from the total, what remains as profit is that which he has 'added'". This is what people who consider themselves 'superior intellectuals' say. According to this argument, whatever the capitalist incurs, for getting a commodity produced, itself is the 'actual value' of that commodity. However, since the capitalist has to have some profit too, that fellow 'just' adds some more value to the 'actual value'. The 'added' part has no connection with the value of the commodity. That part, without having connection with the value of the commodity, comes from the purchaser of the commodity. That itself constitutes 'profit'.

Let us see this argument through the example of cloth. We have supposed that the expenditure spent by capitalist for the production of some amount of cloth is 100. The value of the finished cloth too is 100 only. But, as 'profit' has to accrue to that cloth, the capitalist, while selling it, adds another 20 to its value. People who will purchase that cloth pay 120 for a commodity whose value are 100 only. They give 20 more because they feel, "poor capitalist also has to have some profit"; thus they give. That 'profit' thus comes from the buyers! This formula sounds nice indeed. But, this 'nice formula' should also apply when our cloth-capitalist buys the commodities of other capitalists, isn't it? Every

capitalist exists not only a seller but also a buyer, isn't it? If we do not forget this fact, it is easy to identify a 'false argument' despite any number of guises it puts on.

If a capitalist, while selling his commodity, adds, 'just like that', 'something more' to its value, should not others, from whom he purchases commodities, also add, 'just like that', more value? Does he not then have to pay 'that more value'? Let us suppose that all sellers of commodities sell their commodities by enhancing their values by adding 10 percent or 20 percent to their actual values. What is its consequence? Any capitalist would sell for 110 a commodity worth only 100. While buying also, he buys at 110 a commodity worth only 100. Its result is simply that he sold the commodity worth 100 for 100 only and purchased the commodity worth 100 for 100 only. Where does, then, profit come from?

Therefore, even this answer - which says "profit results from 'just adding' something to the 'actual value' of a commodity" - is not useful for explaining 'profit'.

The essence of these 3 explanations, which attempted to explain the law of profit, is the same though they are worded differently. All these arguments describe 'profit' as some thing that comes 'from the buyer'. It only means saying that the profit of a capitalist is derived from other capitalists. Since the same law should apply to each capitalist, it amounts to saying that each capitalist, while getting profit from the other capitalists, gives profit to others. This means, profit is not accruing from any capitalist to any capitalist and that all these fellows are getting profits from 'somewhere' else.

Capitalist economists utter some words that come to their mouth such as "profit accrues in such and such manner" and in fact they do not know anything about profit. They do not have any clarity regarding that issue. They do not even have interest in that issue.

They conclude their investigation with such dry expressions as "profit results from the sale of a commodity", as if there is nothing to know about it.

Needless to say that none of these arguments are useful for explaining the source of profit.

1) What is the actual source of 'profit'?

What then is the actual and true reason for profit? What is that proper reason which the capitalist economists did not comprehend?

The cloth capitalist got some cloth produced with an expenditure of Rs.100, sold it for 120 and gained 20 as profit, isn't it? There we raised a question - "Did he get so much money because that cloth had so much value, or did he get so much money even without the cloth having that much value?"

All the commodities should exchange at their values only. This is the 'law of value'. Based on this law, we should be able to explain the 'profit'. That is, when the 'commodity' is sold, the money equal to that value only has to come. 'Profit' should come from that 'value' itself. This law should apply to every capitalist alike.

In the 'cloth' example, the '120-money' came in lieu of the cloth, came due to the value of the cloth only. 'That much money' came only because the cloth has 'that much value'. It does not mean that, 'so much money' came even without 'so much value' being there. When the 100 spent by the capitalist for the cloth is deducted from 120, which came in lieu of the cloth, still 20 remains. This 20 is the 'profit' to the capitalist.

What happened here is that the cloth exchanged at its 'actual value' only (120). 'Profit' (20) came to the capitalist out of that 'actual value' itself. That profit is not that which is 'added' to the 'actual value'.

In this manner, every capitalist gets some part from the 'actual value' of his commodity as profit.

However, here one very important question confronts us. That is:

"The cloth capitalist spent only 100 to produce that cloth, isn't it? How did the commodity, which was produced with an expense of 100, get a value of 120?" This requires an answer. For that answer, we have to advance further in this investigation. But, the answer offered in the meantime is that the capitalist had managed in such a way that he would get more value with less expense for his commodity. How that fellow achieved this 'miraculous deed' is a different thing. Only because he achieved that 'miracle' had that cloth acquired greater value (greater than the money spent by the capitalist), and when it was sold, the additional value came to him as 'profit'. If on the contrary that finished commodity had as much value as the capitalist initially spent, then the same

expenditure would have returned when sold. Then, there would be no question of 'profit' at all. If the capitalist cannot get a commodity produced with a value greater than what he had spent, his entire activity would become meaningless. Therefore, the commodity produced for sale under the capitalist must have more value in it than the value spent for it. It is only because of this that the commodity, when it is sold, gets more money in lieu of it, naturally in accordance with the 'law of value'. It is merely the coming back of money in accordance with the value present in the commodity. It is merely an exchange of equal values. When the expenses are subtracted from the money received due to this exchange, the remainder will be the profit.

The total value contained in 100 metres of cloth may thus be seen once. We will see that 3 items are necessary to produce that cloth. That means, the cloth has been produced with as much labour-time as the socially necessary labour-time present in these 3 items. That labour-time constitutes its value.

Values of 100 Meters of cloth

	Rs.
1. Value of raw-materials etc.....	80
2. Value of the 'wages' of labourers...	20
3. Additional value still present.....	20

(This is that part which accrues to the capitalist without any expense on his part. Some amount or other of it will certainly be there in a commodity produced by the capitalist. This is the part that comes as 'profit'. We have put that part here as Rs.20)

Total value of the commodity.....	120
The value spent by the capitalist for the production of this commodity.....	100
Profit.....	20

The capitalist sold the cloth only for its 'actual value'. Yet, he got profit. If we see these details, it becomes evident that profit does not come from outside and comes only from the 'actual value' inherent in a commodity. The exchange that took place between that cloth and 120,

was an exchange that took place between the two equal values. That's all. Profit resulted from an exchange of equal values only. It did not result from selling the commodities 'dear' for a value that was not there in it. Nor it resulted because the buyer paid more value for his 'need'. Or, it did not result from putting 'just like that' the value, which is not there in the commodity, and raising the value of the commodity without any reason. They sold the commodity at its value only. However, as the expenses of the capitalist would be less than that value, some part of that value came as 'profit'. That is, here we got the 'general law of profit'! **'Profit' is that residue which is left out when the expenses spent by a capitalist are subtracted from the 'actual value' of a commodity.**

When we say 'commodity', we may take either 100 metres of cloth as a commodity or 1 metre of cloth as a commodity. We consider only those things that are related to a given amount of commodity.

Any commodity that enters the market (for sale) is produced by some amount of labour and embodies some value. It comes to the market in order to exchange with money. What happens in the market is only an exchange of a commodity in return for money and money in return for a commodity. While exchanging so, no side gets more than the value given. If a person gives a 5 rupee-note to another person and takes 5 one rupee notes, no side gets more value in this exchange of notes. Similarly, no side gets more value in an exchange between commodity and money.

All such ideas as "profit results from the 'sale' of a commodity. Greater value is derived only when it is sold" - are 'superstitious' notions. Selling merely means, giving a commodity and taking money equivalent to its value. Similarly, buying means giving money and taking a commodity equivalent to its value. Neither do buyers offer to the sellers, nor do sellers offer buyers values greater than what they take. Therefore, 'profit' accrues neither because of selling nor because of buying. The profit of a capitalist does not arise by from the loss of another capitalist.

'Profit' results only from the 'actual value' of the commodity. This alone is the 'general law of profit'. That is, a law that applies to all capitalists.

As 'profit' results because there is more value in the commodity sold by the capitalist than what he spent, we should now see how it is possible for the 'extra value' (value greater than what had been spent) to enter into the commodity.

The commodity that lies with our capitalist for sale is 100 metres of coarse cloth. To produce this, the capitalist spent certain amounts of money on "raw materials et cetera" and on "wages" respectively. What do "raw-materials etc.," mean, What are "raw-materials" in it, and what are "et cetera"?

In order to make a new article, that is in order to carry on the labour connected with it, certain articles which have already been made are needed. A new labour could be carried on only if all the relevant articles are available. All such articles are available. All such articles taken together constitute 'means' necessary to carry on that labour. This means, we are introducing here the term 'means of labour'.

We may classify 'means of labour' into three kinds: (1)Raw materials,(2)Instruments of labour and (3)Auxiliary materials.

'Raw materials' mean: Yarn is the raw material for the 'cloth'. Yarn becomes cloth through weaving. The same article which was initially in the form of yarn changes its form in the course of weaving and takes the form of cloth. Hence, yarn is the raw material for cloth. If we want to have flowers or stripes on the cloth, the colours necessary will also be raw materials for the cloth. But, here, yarn alone is the primary raw material. To make a 'chair', wooden-plant is the primary raw material. Along with it, nails and colours too are raw materials. But here wooden plank alone is the primary raw material. Thus, all those articles, which, along with their bodies enter into a new article and assume its form in the process of making that new article, will be the raw materials of that new article.

'Means of labour' means: In order to make 'cloth' and to carry on 'weaving' work, it is not enough if we have 'yarn' only. We also need 'loom'. We further need certain other instruments also. A 'work-place' is necessary where weavers carry on their work. It may be a small hut, a building or any kind of construction. We also need such articles as baskets, big and small, in order to carry raw materials from one spot to another. (We have to imagine all kinds of instruments that are necessary to carry on weaving work.) We need plough to till the land. We need 'saw' to cut wood. For other kinds of work, we need hammer, knife, scissors, sickle, tables and various kinds of other implements. All such things are 'instruments of labour'. The difference between these and the raw materials is this: The raw materials lose their earlier forms and change into 'new articles'. But, this does not happen in the case of instruments of

labour. They don't change into a new article. Their 'bodies' do not enter into the new article. For example, the shape of the 'loom' will not change either during or after making of cloth over the loom. It won't enter into the cloth. The shape of the loom will not change even when it becomes old and totally use-less. The same thing happens in the case of such other instruments of labour as knife, hammer, plough and saw. This is the difference between a raw material and an instrument of labour.

'Auxiliary materials' mean: supposing we have to smear some oily substance to facilitate the free movement of an instrument of labour like loom while weaving. This means, oil is also necessary here. But, this oil does not become either a raw material or an instrument of labour. It (the oil) will neither enters into the new article alone with its body like a raw material nor finally remains with its own shape like an instrument of labour. While the instrument of labour is in operation, this oil gets melted and evaporated. Similarly, when we use coal for fire, it gets burn down and turns into ash. Thus, these substances, will neither be raw materials nor instruments of labour in such contexts. (If we use 'oil' in the making of food stuffs, then it becomes a raw material. Similarly, things like oil, coal and water, will be either raw materials or auxiliary materials depending upon the contexts in which they are used.)

These three types of articles are needed in order to carry on any kind of labour. In the absence of any one of these articles, we cannot carry on a given labour; it is not possible to make a new article. That is why, we refer to all these three kinds of articles with the same name 'means of labour'. All these 'means' are necessary in order to carry on 'labour'. To carry on 'weaving' labour, yarn is a 'means of labour', 'basket' is a 'means of labour', a building that serves as a work-place is a 'means of labour'. If oil and coal are necessary in this work, these too constitute 'means of labour'. A small pin too is an instrument of labour if it is needed to do this work.

'Raw-materials' and 'instruments of labour' required to produce a given object depend upon the specificity of that object. The raw materials for cloth are different and the raw materials for shoes are different. Similarly the 'instruments of labour' required for 'that' work are different and the 'instruments of labour' required for 'this' work are different. Take any two different things: each one of them will have its own and different 'raw materials', 'instruments of labour' and 'auxiliary materials'. Those differences are irrelevant here. What is important here is simply

that 'to produce any object, some raw materials, some instruments of labour and auxiliary materials which are relevant to that object are required'.

We may also refer to the 'means of labour' as 'means of production'. Whatever way we call them, meaning is the same. Whether you say 'doing labour' or 'doing production', both mean the same. Whether you call yarn 'means of labour' or 'means of production', it means the same. Similarly, it means the same whether you call it a loom, a plough and a saw.

Raw materials and other means of labour alone are not enough to produce an article. Human beings who know how to make that article too are required. That is, a special kind of 'work' (labour) which those people do is necessary. Taking in hand the particular raw material with the aid of those instruments of labour, those persons produce the required articles. They make shoes with 'leather'; weave cloth with 'yarn'; prepare bread with 'dough' - And so on!

A clarification regarding 'raw materials': Certain types of work do not involve raw materials. What is the raw material in the work of extracting coal and metals from mines? There is no raw material. Similarly, there are no raw materials in catching fish in water and hunting animals in forests. All these kinds of labour are "labour of extraction". These are the kinds of work, which involve "extraction" of substances readily provided by nature itself. Even in such contexts where the question of raw materials does not arise, all other means of labour will be needed. It is needless to say specially that 'people who do labour' (labourers) are necessary.

A clarification regarding 'instruments of labour' also: In the 'cloth' example, we have taken 100m. cloth as an article. Among the means of labour necessary to produce 'cloth', we find a 'loom'. There will be a 'building'. There will be many more things. Does it mean that all their values have been included in the value of this 100 metres cloth? No. (To some extent, we have seen as to how to understand this fact in chapter 'Two Aspects of a commodity' of part 1. We will see this in greater detail in the chapter 'Constant capital-Variable capital; Fixed capital-circulating capital' of this part). The loom will not get old and become useless by the time of weaving 100 metres of cloth. Similarly, the building will not get old by the time of weaving 100m of cloth. The same is the case with other 'instruments of labour' also. The totality of

their values will not reach this 100m cloth. Their values have to get added to the thousands and lakhs of meters of cloth for many years more. Now, we have to see how much of the value of instruments of labour entered into the 100 metres cloth which we have taken as an example.

We said to ourselves earlier that the cloth-capitalist spent 80 on raw material etc., isn't it? We did not specify earlier how much he had spent on 'raw materials' and how much on 'other means of labour'. Let us now suppose that he spent 30 on 'raw materials' and 50 on 'means of labour'(for both instruments of labour and auxiliary materials together). Those particulars are necessary here.

The value that is still there in the 'means of labour' is of no concern here, since it has not come into the value of cloth. It remains still, latent, in those 'means' themselves.

We should not forget that we can refer to the raw materials and other means of labour with a single name 'means of labour, irrespective of whether those means of labour include raw materials or not.

The essence of the matter here is this: To carry on any labour to make any article, except two factors, namely, (1) means of labour and (2) people who do labour, no other element is needed. These 2 elements are enough for its production, whether the thing so produced is meant for sale later on or for personal use. This fact should be specially borne in mind, for it will be necessary to understand what elements specifically participate in the formation of the 'value' of an 'object'. However gigantic an object may be, it could be produced if the means of labour and working people are available. Gigantic buildings, ships, bridges or aeroplanes, all would be produced. Without those required elements, not even a 'pin' or a small 'black-bead' can be produced.

Using means of labour, humans produce things and substances by means of their labour. If that 'product' is to be sold, its value should be calculated.

Since the commodity that a capitalist gets produced is meant only for 'sale', all the value calculations have to be examined.

What is the value of the yarn that was necessary for 100 metres of cloth? What is the value of the instruments of labour 'spent' on producing that cloth? What is the value of 'weaving labour' that took to weave that cloth? The totality of all these 3 values itself constitutes the value of the cloth. The value of the cloth is neither more nor less than the total of these three elements.

We have assumed that the total value of the cloth is Rs.120. Through which items did the cloth get this '120 value'? Only from those items that were spent in the making of cloth. That is, some part of it is from the 'raw materials', some part is from the other 'means of labour' and some part is from the 'labour' performed by the weaving labourers. The totality of the values of all these items itself constitutes the 'value of 120' contained in the cloth.

By '120 value', we mean that so much total labour has been spent for the cloth in view of the fact that 'value means labour only'.

But, the capitalist spent only '100 value' for this cloth. Whatever the capitalist spent is part of the value of the cloth. But, still '20 extra value' also accrued to the cloth. That is also labour. Just as labour is the reason for the 'initial value of 100', the reason for that 'extra value of 20' is also labour. We are not yet aware how the 'value of 20' over and above that 100 accrued to the cloth. Yet, to understand that 'value means labour only', the facts that we learnt so far are enough. If the total value of a commodity is divided into 10 parts, each part of it is 'labour' only. It does not so happen that there is no labour in 1 part while all the other nine parts have the labour in them. When we divided the total value of the commodity into 10 parts, it means that we have divided the total labour spent on the commodity into 10 parts. It means that each part of it contained some labour. Therefore, it is not difficult to grasp that every atom of the total 'value of 120' is due to labour only.

While the capitalist spent only 100 value on the cloth, its value became 120 by the time the cloth is produced.

The answer that, "this additional 20 is not contained in the cloth but exists outside" might suit a capitalist economist, but it does not suit those who examine things 'rationally'. Since this additional value of 20 is there in the cloth itself it is of no use to search for its cause in the market outside the cloth thus: "How did it accrue? How did it accrue?". For the cause of the value present in the cloth, we should search in the cloth itself. It means we have to search in the items that produced it. The items for which the capitalist had spent 100 must have enhanced the value of 100 to that of 120. It is not possible to doubt that value in excess of 100 accrued to the cloth that was produced with an expenditure of 100. It is also beyond doubt that this happened on account of the items that had produced it. What we need to know now is that how it happened. Did the values that were there originally in all those different items increase to

some extent? Or did the values of any 2 of them increase? Or, did the value of only one item increase too much? What happened? Well, something did happen. Otherwise, how come a value of 100 increased to a value of 120? In order to know what has happened, we have to examine each item separately with regard to the nature of those elements and their abilities to enhance or reduce their values. If we do so, we may know how the value of the cloth increased and due to which element.

It means that, having started with an examination of the value of the cloth, we are getting down to probing the nature of the items that are necessary for its production. There is no other way but to pierce the elements of the cloth for finding the cause of the increased value of the cloth. It is the right way and the only way.

(1) Can 'raw materials' yield greater value than their own?

The raw materials are those that a thing takes into its body while it is in the making. We have 'coarse cloth' in our example. Yarn alone is its raw material.

The value of that yarn adds to the value of the cloth. Well then, what is the value of that yarn? We need not go back and further back making such calculations as: how many 'means' of labour were spent in making cotton into yarn and how many persons worked to weave that cotton into yarn. Since the capitalist had purchased that yarn for 30, its value is clear enough. However, we cannot rule out the possibility that its seller dupes our fellow by selling, for 30, yarn, which does not have 30 value. It is also possible that our fellow dupes its seller by managing to get for 30 the yarn which has more value than 30. But, such are 'special' occasions. It is not necessary here to discuss those special occasions whether our fellow had purchased it for its actual value or for a little more or for a little less. While examining phenomena in general, we deal at every place in accordance with the general laws. It means that we have to presume that the capitalist had purchased the yarn at its actual value and that actual value is 30.

Well, the value of the yarn (raw material) that was necessary for producing 100 meters of cloth was 30. The cloth was produced with this yarn having 30 value. The value of this yarn also gets added to the cloth. Then, will the value added to the cloth due to this yarn be only 30, or more than that, or less? If we see the same question in other words: if we see the value of the yarn in the cloth after the yarn is turned into cloth, will that value be only 30 or become still more? The answer is very easy:

The value of the yarn both before and after it was turned into cloth remains the same. There will be no change in it.

Yarn is something that has already been produced. It has been produced with a certain amount of labour. That labour is "past" labour. That kind of labour may be called either 'past labour' or 'dead labour' or 'objectified labour'. Such a kind of labour will not become either more or less any longer. Whether that yarn is used for any work or its form is changed in whatever manner, no change takes place in the labour that had been necessary for its production. Therefore, when cloth is woven with that yarn, that yarn on its own adds to the cloth only as much labour as it contains. It gives only as much labour as it was made of. But that yarn cannot increase its labour and give it to the cloth. Here yarn having value of 30 can give a value of only 30 to the cloth produced by its own means, but it cannot increase that value and give it.

Let us see an example to understand this easily. There is a table of 3 feet height. How much height does it give all by itself? It can give a height of 3 ft only. Why can it not give more than that height? Because it is an inanimate thing. It does not grow up like a plant. It remains forever with its initial height only. What should we do if we want more height? We have to keep another table over that table. Then both the tables together give more height. But even then, no table gives more height than its own height.

The same is the case with the question of giving value. The value of the yarn is 30. It is a thing that has already been produced. Its value increases only when new labour is added to it again. But even then, it won't give more value than its value. However, the value of the yarn that has already been produced may also either decrease or increase. We have to understand that situation also in this context only.

Let us suppose that the cloth-capitalist bought and stored yarn of 1 ton weight. The new crop has come even before using it completely. Owing to unfavourable conditions of weather, the production of the new cotton decreased and the value of the cotton increased. Because of that, the value of the new yarn, which is produced with that cotton, also has to increase. However, the old yarn and the new yarn, let us assume, are of the same quality. Will the 'old' yarn exist with one value and will the 'new' yarn exist with another value (with their own values)?

They would not be like that. It is not possible for the same kind of commodities to have different values (we will see this in detail in

volume 2 when we talk about 'prices'). Whatever commodity we may consider, old commodity too remains in some quantity or the other by the time new commodity arrives in the society. Depending upon the details such as: what is the total mass of both those commodities and whether the 'earlier' commodity is more or the later commodity is more in quantity— the same value (whatever it be) will be formed for that entire commodity. It may be the old value or it may be a new value or it may be a value between those two. The same value for the whole commodity. That is, the value of the old commodity may vary after the arrival of new commodity. Thenceforth, that whole commodity will have a new value.

Now let us return to our example of yarn. We assumed that the cloth-capitalist bought and kept some yarn in the past itself. We also assumed that the value of the yarn necessary for 100 meters of cloth is 30. It is possible for the value of that yarn to become more or less than 30 by the time he uses that yarn. In fact that yarn was already produced in the past itself. It is not being produced afresh now. Yet, whatever value the same kind of commodity acquires if it is now produced afresh, the old commodity also possesses the same value. When we use the old commodity at a later time (if it is not at all spoiled), its value will depend not on the old conditions but on the new conditions. That is, the value of raw material that was bought and stored in the past may vary to some extent by the time it is used. However, there won't be any problem due to that. If the value changes, that changed value itself will be counted as the value of the raw material.

In the example of cloth, after the cloth is produced, whatever value the yarn contains at the time of calculating the value of the cloth, only that value will be considered. If changed, that changed value is considered. If not changed, the unchanged old value itself is considered. Whichever value we may consider, our question will be on that value only. The question is 'does the raw material yield greater value than its value?'

Let us suppose that the value of the yarn related to the cloth is 40 in the market by the time cloth is produced now. The value of the yarn in our cloth will then be counted as 40. The question that we put earlier on 30 will now be put on 40. When the value of yarn was 30, we questioned thus: 'Whether the yarn gives a value of 30 or more to the cloth?' Similarly, now, when the value of yarn became 40, we question that 'whether the yarn gives a value of 40 or more to the cloth?' That question is put in relation to whatever value that a raw material possesses.

To make our example easy, here we have to assume that the value at which the capitalist bought raw materials has not changed until he disposed of the commodity made of those raw-materials.

The value of yarn when the capitalist purchased for the coarse cloth was 30. That value did not change until the cloth was produced. The yarn having a value of 30 can give to the cloth only that 30 value. It means, raw materials cannot give to the 'new commodity' more than their own value. The same is the case with any raw material.

We are seeing which element was the source of 'the value of Rs.20' which accrued as profit for the capitalist through the coarse cloth. It did not come from the raw material. After deducting 30 value, added by the yarn, from the total 120 value of the cloth, still 90 value remains. The yarn has nothing to do with this 90 value.

(2) Can 'instruments of labour' or auxiliary materials yield greater value than their own?

The reason that applies to raw materials in the matter of giving value to the new commodity that is being produced applies to the other means of labour also. Because, these too are inanimate things. They are objects that had already been produced. When such a thing is employed in some work, it can yield only that much of value which it contains.

Let us suppose that a loom has become completely old and is exhausted in the course of weaving some cloth. Let us suppose the value of that loom is 10. That loom can add to the new cloth only that much value which it has. In this example, the loom can add through it only 10 value to the cloth. The value added through the loom is not either more than that or less than that. The same is the case with any of the means of labour also. **That is, like the 'raw materials', the means of labour also do not and cannot give more value to the commodity than their own value.**

Each one of these 'instruments of labour' has its own 'life time'. How much part of value it gives daily in the work depends on that time. These means of labour cannot give to the commodity more value than what they lose from themselves for a commodity.

The same is the case with auxiliary materials. These too are inanimate. Therefore, these too cannot give more value than their value to the new object.

Thus, though 'means of labour' are of 2 types, both of them constitute 'means of labour'.

It is customary in language to call whatever instruments the working person takes in hand and works with (hammer, scissors, loom, plough, saw and the like only) as "instruments of labour." In fact, it is the same thing whether we say 'means' or 'instruments'. Everything that is necessary to perform labour is 'means of labour'/instruments of labour'. Labour cannot be performed without raw materials or without instruments of labour or without auxiliary materials. These are all, therefore, the means necessary to perform labour. That is why we can call them together (including the raw materials) with only one expression, either 'means of labour' or 'means of production'. However we call it, the meaning is the same.

Let us suppose that the capitalist bought and kept with him all these means of labour some time ago. By the time of producing 'new object', the values of some of these means have changed. Or value of all those have changed. It won't be a problem whatever happens. If it changes, only changed values will be counted. Whatever happens with regard to 'raw material', the same thing happens with regard to these (means of labour) also.

An object, whether it is 'raw material' or 'auxiliary material' or 'instrument of labour', does not add to the new commodity even an atom of value more than its own when it is used in a given work. In this aspect, all 'means of labour' have the same character.

We have been looking for the element that is the source for the 'profit of 20' accrued to the capitalist through the cloth, isn't it? It was found out in the beginning that 'raw material' was not the source. Now it is clear that other 'means of labour' too are not the source for it. If the capitalist spends 30 on raw material, only 30 value is added to the cloth through it. Similarly, if he spends 50 on all other means of labour, only 50 is added to the cloth through those means. That is, the value that has been added to the cloth so far is 30+50=80. But there is total 120 value in the cloth. It means a value of 40 is still there in it, unconnected with the 'raw material' and 'other means of labour'. The element that remains is the 'labourers', who worked in producing the cloth. Let us now see what is the relation between these labourers and the value of 40 that is there in the cloth.

(3) Can 'labourers' yield greater value than that of their 'wages'?

Whatever the capitalist spends on the 'raw material' the same will return through the raw material. Whatever is spent on the 'means of labour', the same will return. Similarly will the same amount, that is, whatever has been spent on the labourers, would return or something more or less would return? We have to see this aspect now.

The capitalist had spent Rs.20 on the wages of labourers to get 100 metres of cloth produced. If it is found that he could take from the labourers value more than 20, the secret of 'profit' is as much as exposed itself. In fact, there is nothing that has to be found out here. When it has been found, that, out of the 3 elements that took part in the production of cloth, the first 2 elements could not yield more value than their own, then it is proved that the work (of yielding more value) is done only by means of the third element. Well then, what we have to know here is 'how that work (of yielding more value) is done'. If that is known, we can prove indisputably that the work (of yielding more value) was done by means of this item only.

The capitalist pays 'some money' to labourers as wages. What do the labourers do with that money? They purchase such things as foodstuffs, clothes, rented house and medicines. They use those things at their homes for their living. Suppose that the capitalist paid wages of the labourers in the form of commodities that are necessary for them, instead of in the form of money. (Let us suppose that the capitalist himself set up a shop and made an arrangement that the labourers take rice, clothes, medicines, etc., from it). Even then, labourers would take those commodities to their homes and use them only at the houses. Whatever be the form, in which 'wages' are given, it makes no difference. If he gives only commodities, they consume those commodities only. If he gives 'money', with that they buy (and consume) commodities necessary for them from different capitalists. Whatever be the form, the same thing happens.

Here, we have to understand two things.

(1) "Capitalist giving 'wages' to labourers" - means that he is giving them 'certain things' necessary for them to subsist. That is 'wages' means 'certain things'.

(2) Those goods which stand as wages are spent in the homes of labourers for their living, outside the 'work-place' of the capitalist. But,

they do not come to the work place where the labourers work. They are not consumed just as the raw-materials etc., are consumed for the new commodity that is produced there. If we proceed further after properly understanding these two things, it would be easy to grasp things that come later.

One component of the total 'capital' spent by the capitalist is the 'raw materials'. Another component is the 'means of labour'. The third component is 'wages' given to labourers. That is, as 'wages' mean the goods used by labourers, the third component of capital consists in goods used by the labourers. These three components alone constitute 'capital'. Unless the things pertaining to these three components are ready in the market, work itself does not begin at all in the capitalist's 'work-place'.

What do labourers give to the capitalist in return when he gives them 'wages' either in the form of money or in the form of commodities? (It does not mean that the capitalist pays wages in the beginning itself. He pays only later). Do they give back exactly what they had received, just as rice is returned for rice borrowed, and money is paid back for money borrowed? How can they give back those things or that money like that? Labourers spend them, isn't it? Therefore, they give their 'labour' to the capitalist in lieu of the things that the capitalist gave. It means that they come to the work place of the capitalist and do whatever 'work' he asks them to do.

If the capitalist spends a part consisting of 30, out of his 'capital' consisting of 100, on 'raw materials', lifeless raw materials alone will come to the work place. If a part consisting of 50, out of the capital, is spent on 'means of labour', those lifeless 'means' alone will come to the work place. If the third part of the capital (that is 20) is spent on wages, 'living humans', instead of 'lifeless things' come to the work place.

'Work' will be carried on only if raw materials, instruments of labour and working persons come together. A 'new thing' will be produced.

After coming to the work place, these labourers take raw materials into their hands and begin the work of producing a new product with the help of 'instruments of labour'. Doing 'work' itself is doing 'labour'. If they go on doing work like that, energy in their body will go on being consumed. The body gets exhausted. Thus, while 'labour' is being consumed on the one hand, raw materials and instruments of labour will also be consumed on the other. If it is the work of weaving the cloth, spindles of yarn get transformed into cloth. Weaving instruments get worn

down. In this manner, raw materials get transformed into a new form with the expenditure of inanimate objects on the one hand and the labour of living humans on the other hand.

We have seen that all the inanimate objects including the raw material that are spent at the work place may be called 'means of labour'.

Every 'means of labour' is an object made of some labour. Some such 'means of labour' come to this work place and get exhausted for this new object. Exhaustion of 'means of labour' means that their whole labour is necessary for the new object. However, the whole labour related to the means of labour is 'past' labour. That is, labour performed in the 'past'. It is 'objectified' labour. That is, a labour existing in the form of 'objects'. It is 'dead labour'.

Work performed by labour at the work place is not 'past' labour. This is not a labour that was performed in the past itself. This is labour that is being performed newly here itself. Therefore this is 'present labour', or 'living labour'. While the whole labour related to the 'means of labour' is 'dead' labour, the whole labour performed by labourers is 'living' labour.

'Living' labour and 'dead' labour come into contact with one another in the work place. That is, the labouring persons and the means of labour come into mutual relations. Both will be consumed and a new thing will be produced. It does not happen that 'living labour' of labourers alone is spent while the means of labour are not spent or means of labour alone are spent while the living labour is not spent. Only when the 'means of labour' and 'living labour' are spent together, does the work go on.

Let us see this by an example. Let us suppose that a certain number of labourers produced 10 metres of cloth in '1 hour'. By then, some amount of the raw material, and some part of the instruments of labour get exhausted and each of the labourers might have performed '1 hour of living labour'. Let us suppose that in another hour, 10 more metres of cloth are produced. Again some amount of raw material and some more part of the instruments of labour are spent and each one of the labourers might have performed '2 hours of living labour' by then. While 10 metres of cloth are being produced every hour, means of labour as well as living labour are also spent.

Let us suppose that the labourers have come to the work place of the capitalist and commenced working for a new commodity. How long

do they have to work like that? Is there any 'limit' to it? There is certainly a limit. They have to work until they return to the capitalist the value that they received from him as 'wages' either in the form of commodities or money.

The value that the labourers owe to the capitalist has to be paid through their labour only. Labourers have no right not to pay back the value taken from the capitalist. Therefore, the 'legitimate limit' to the labour that has to be performed by the labourers is the amount of value that the capitalist gives to the labourers as wages. If they work up to that limit, the value given by the capitalist to the labourers and the value given back by the labourers to the capitalist become equal to one another. Then, that exchange becomes an exchange that took place between equal values.

But will such an exchange be taking place between the capitalist and labourers? What, in fact, will be taking place? We have to see these things in greater detail henceforth. In other words, this is looking at the relations between 'dead' and 'living' labour.

There will be a very big difference between the way in which 'dead labour' is spent and in which the 'living labour' is spent, while an article is being produced. The better we understand this difference, the better we will understand matters introduced later. This fact is fundamental to the whole economic science.

All economists in the past had understood this fact haphazardly. As a result, the question as to "how the 'value of the commodity' is 'formed" has been beset with great confusion. All the capitalist economists know that labourers do not sit idle after they enter the work place but do the 'work' in the work place. But those economists do not know properly such things as how much value the workers give by means of their 'work', what is the relationship between the wages they take and the work they do, and what is the role played by wages in the production of the commodity. (Even economists like Smith and Ricardo did not know these things).

They were confused even while understanding what exactly the 'raw material' is and what exactly the 'instruments of labour' are. Therefore, we have to understand these things very carefully and patiently.

Now, the labourers are getting down to the work of producing 'cloth'.

Here, we have to see a few things about 'labour of supervision'. When some people gather at one place and have to do some 'work', 'labour of organising' will also become necessary. 'Labour of organising' is also essential for 'production' activity. That labour too will have a wage. If the capitalist himself performs that labour, he will have the right to take that wage. Then the capitalist too becomes a labouring person, one among the labourers. Or suppose the capitalist does not do the 'labour of organising' but an employee does that labour. That employee is also a labourer. The wage connected with that labour goes to that employee only. Whoever does the labour of organising, that wage too will be part of those total wages.

In the example of cloth, we have seen that there are 20 for wages. It means that the wage of 'labour of organising' is also in that 20.

Let us suppose that the capitalist himself does the 'labour of organising' here in the example of cloth. There is no problem if the capitalist too does some labour and takes a wage. The capitalist gets not only that wage but also 'profit'. This whole investigation is about that 'problem'.

We are seeing this whole thing for the sake of an answer to the question, "Can the labourers give more value than their wages?". We have to look into more details for this answer.

Now, we are beginning with 'labourers entering into the work'.

Wages are not paid either before or immediately after the start of the work. It will be paid only after the completion of the work.

Let us suppose now that the labourers start their work early in the morning. Various kinds of labourers are necessary in this work. Not all people would sit at the 'loom' and weave. Several kinds of work should be done to produce the cloth. All the labourers stood at their respective places and discharged their respective duties. It was noon by the time all did the work having a value of 20. It amounts to the fact that they did work equivalent to the value of the wages by then. The work that they had to do was finished. Let us suppose that by then, 50 meters of cloth were produced and that raw material (yarn) having a value of 15, and 'means of labour' having a value of 25 have been expended. That is, the total expenditure for making 50 meters of cloth comes to: raw materials 15 + means of labour 25 + living labour having value 20 = 60. That is,

that cloth has a value of 60. It is because labour having a total value of 60 has been spent on it.

By noon, let us suppose that labourers stopped the work and say to the capitalist thus: "The wages that you give are 20. The value of the work that we did is 20. We have carried out the work equivalent to the value of wages. Work is over. Give the wages, we will go." In fact, labourers do not know such things as 'work equivalent to the wages' or 'more work than the wages'. The labourers cannot talk in such terms. But, in order to understand things easily, we are imagining that labourers talked like that. Let us imagine what happens later as follows.

The capitalist looked at the 50 meters of cloth produced by that time and hastily calculated all the expenses incurred on it. 60 have been spent. There is a value of 60 in the market for 50 meters of the same cloth. He too should sell 50 metres for 60. But, the expenses themselves came to 60! How is it possible to "add" more to it? If its expense were somewhat less than 60, it would have been possible to add something and sold it for 60. But, now it is not possible to add even one paisa (penny) more to it. What 'profit' would he get if he sells it? Why all this botheration if he gets only this much?

Should not the labourers work some more time? It is only noon now. What will they do till nightfall? What will they lose if they work for some more time without taking wages again? Would their treasures be depleted or would their muscles be melted?" - the face of the capitalist began to blossom slowly as his thoughts proceed thus. But some hesitation from within: "They have laboured enough for their wages. Would they work longer without wages if someone asks them? What would they say! After sometime the 'visage' of the capitalist blossomed further. It recalled someone. "Yes, he can accomplish this task", he said to himself, nodding his head.

"What is this? Why have you stopped the work? Go on", said the capitalist as if he did not hear what the labourers said.

"Haven't we told you that the work is over?"

"Over? So soon? I have gone into the accounts. Nothing is left. What would I get if work is stopped so early?"

The labourers were surprised. "Got nothing? If so, who got this cloth? How can you say that nothing was gained even after getting cloth like this, so dear to see?"

"How could cloth be dear to see? If something is saved from it, that is dear indeed to see. I have spent all the money that I had. Was it for this cloth?"

"Aren't you going to sell it? All your money will come back to you. Your money won't go anywhere"

"What? Is it only to get my money back that I made all these arrangements? Is it only to recover what I had spent that I arranged all these looms, cotton-bales, godowns and that I undertook this whole grand exercise? Why have I been in fact carrying on this production for? For the sake of the country. If I did not have the cloth woven, how would people dress up? Should I not get anything in return to so much service? It seems that you haven't recognised my service".

"If it is such a great 'service' to 'get cloth woven', how much greater would be the service of those who 'had woven' it? Didn't we do our service by weaving yarn into cloth? What recognition did you give to our service?"

"Did you do it for nothing? Didn't you take wages?"

"What about you then? Did you do it freely? You too take wage. You take more wage than our wages?"

"Should I have to be content merely with that pittance?"

"Why not? Aren't we being content?"

"It is up to you that you may be content with it if you like. What is the need for me to be content like you? I possess so many means of labour. Is it not with my means of labour that you work? Will you work merely with your hands and legs, if there are no instruments of labour at all? Should not I get more, as owner of the instruments of labour?"

"Will your instruments of labour work themselves without our hands and legs? All right, you can think that your instruments are great. But did we eat your instruments of labour? Don't their expenses get added to your commodity and aren't you getting back all of them when you sell the commodity?"

"Only that? Is it my expenses alone that I will be getting back? Then, what is it that I gain by way of profit by undertaking this venture?"

"What is it, that you want us to do to get profit for you?"

"You have put a nice question, indeed. Why don't you work for some more time? It is in your hand. What will you do at home by returning so early?"

"Why don't we do it? Why don't we do if wages are paid? We pledge to do it."

"Wages! Again? Alas! Why don't you understand me? Even if I pay wages again the same thing would be repeated. What profit do I get from it?"

"Ought we to work without wages for the sake of your profit? What profit do we get if `you' get profit?"

"Don't you have a sense of loyalty for me as I am feeding you?"

"What are you talking? Nonsense! Where is the question of your feeding us? You are simply giving us wages for our work. We are living by our labour. We are feeding ourselves. Are we asking you to feed us?"

"Have I not given work to all of you?"

"Yes, you did. Have we denied it? But what damage have we done to you for that? Are you incurring loss because of us? Haven't we given labour equivalent to wages that you gave?"

"Only that much? What is it that I gained from it? Is 'not getting profit' tantamount to incurring loss? What do you know how much loss that I incur on my capital at times? You don't know all those calculations. How should I compensate all these losses?"

"You might incur losses once in a while but we suffer losses daily and hourly. Our health gets deteriorated by every hour and our limbs receive injuries while working. Our hands and legs get cut. We lose even our lives. What about our losses? You are lamenting over the money-loss that you incur very rarely."

"Is it so? Is it so? Shouldn't I get any reward for doing so much service by investing so much capital? Is it so?"

"Why should a service-minded person make hullabaloo about reward? What service is there in getting cloth produced and sold? If we produce cloth, another will produce something else. Every one of us should do and is doing something or other. Otherwise, how do we get the things

that we need? Don't you need them yourself? What service is there in it?"

"What? Nothing? Is it not a service to invest so much capital and give work to so many workers? Is it not service when I am doing so much? Is your work the same as mine?"

"No matter, how many times we say, you sing your own song...Okay, you are doing many a service and sacrifice. You are doing many more things. You are pack of virtues. Is it okay? You will get lot of fame. The whole world will acclaim you thus: "what a good person this capitalist is"! Nobody will have a word of praise for us. That much of 'fame' comes to your service. Is it okay?"

"Yea! I should also get 'fame'. My service goes meaningless if I do not get fame. Well, the question of fame is okay. But what reward do I get due to fame? What shall I do with simple fame? Am I a God to rejoice in flattering verses?"

"So, fame too does not satisfy you? You want to get money even from fame? We are getting fed up by talking to you. Throw our wages! We have to go. We have done the work equivalent to the wage that you give. We don't know anything more than that!"

The capitalist is not able to imagine that workers could talk so much. They are raising counter questions to whatever this fellow says. Nothing is occurring to his mind as to what to tell them. What should he do if they go away without doing the work? The fellow is looking hither and thither helplessly.

Exactly at the same time while conflict was thus continuing, a gentleman came running but stepped in slowly with gentle walk, assuming suddenly a calm composure beyond the doorstep. Unruffled clothes, spectacles and some books in the hand. On seeing that fellow, the labourers began thinking in two ways: "This gentleman looks like a knowledgeable person!" They also thought, "this fellow appears to be a so-called learned fellow!" The gentleman is the capitalist economist. He listened for a while to the exchange of words. Both the parties presented their respective arguments.

After hearing the whole thing, the fellow, with a smile, uttered just few words: "Should not an investor of 'capital' get 'profit'? You might well be sustaining yourselves with your own labour. But where does the work spring from for you to do, if this gentleman does not invest capital?

If no profit were to be obtained, which fellow will invest capital? He would close all transactions today itself. Okay? Do you like it? Will you go your own way? Tell me!. . . . . Can anyone perform even a 'service' without 'profit'?

The labourers were dumb-founded. They cannot deny that the capitalist has given them work. They cannot also deny that he has invested some capital for it. There should be someone who invests capital if they want work. The capital should get some profit if there should be someone to invest capital! There will be no way for them to get work if the capital does not get profit! There can be no means for them to live if they don't get work. The labourers were stunned, simply because they saw so clearly the connection between their 'livelihood', and the capitalist's profit. They raised many counter questions while arguing with the capitalist but now they kept silent. But, the labourers do not know that there are 'excellent' answers even to the questions of this newcomer. They are not aware that no capitalist is required if the workers are to live and it is possible to create work for all even in the absence of capital which snatches profit.

They did not ask that newcomer thus: "You are telling us that the capitalist will close down the whole undertaking if he does not get profit. What will that fellow eat if there is no work and if there are no articles?"

"Who will invest if he won't get profit?"; "Where will you get work if there is not someone who will invest capital?"; "Will you stop the work and go away?" - These few words are enough to pacify the labourers! This is the last weapon that the capitalist has not used.

The gentleman's talk was worth lakhs. He spoke knowing fully well how to pacify the labourers. He spoke exactly as 'capital' would have spoken if it speaks at all. Can the 'capital' imagine whether anyone can do anything, even perform a service without profit?

The labourers who had kept silent moved a little in the direction of the work place. Those who are exhausted having worked since the morning and those who had thought of taking rest at home, set themselves to work again. They stood at their respective places with discipline like a human machine.

The loom again started moving. The raw material again started moving. Now capital began to 'suck' the 'labour' in enthusiastic joy having learnt that it need not pay wages.

The capitalist and his 'economist' slipped away slowly from there. They did not talk to each other until they entered into a spacious room. The economist sat himself down on a bed near a window and began casting his glance outside into the trees, rubbing his un-sweated face with a handkerchief. He lost himself in the worship of beauty as if he had not even noticed a "big bundle" making its way into his pocket.

The capitalist is still feeling anxious whether the workmen would really resume their labour or come back. He wants to talk a lot with the economist who is, however, deep in the contemplation of beauty. "What's there in the plants to look at?", the capitalist thought, a little vexed.

"I think you like flowers a lot", he said to the economist with humility.

The economist turned this side with heavy pocket.

"Yes! I love 'nature'. I can sit any number of hours looking at the flower-garden", he said smiling!

Yes, of course! That fellow will have leisure to sit for any number of hours. He will have gardens right that side of windows and cushions this side! He will have buildings with spacious rooms provided with windows, gardens, cushions and many more things. He does not live in a roofless hatched hut. There is no compulsion on him to rot the whole day long before a spinning wheel or a loom, behind a plough, or in mines or in the midst of machines. That is why he can afford to 'love' Nature and to 'sit' endlessly looking at the gardens of flowers.

Lowering his voice a little, the capitalist disclosed the doubt that was gnawing at his heart, "Do you think that they will do the work for a longer time? How long would they work?"

The economist threw up his head carelessly and said, "Stupids! What else would they do without doing the work? They will work much longer. They will work as long as you ask them to do. If they don't work, you will fire them from the work. How else can they live at all?"

The brightness gleaned over the face of the capitalist. He hung his head down with humility, eager to hear some more 'good words' from the economist.

"I have started writing a book on matters of economic science," said the economist serenely.

"Very glad! Very glad! You alone must write those matters. The words you had spoken to them a little while ago, how splendid they are! They have not struck me at all. I was bewildered when they asked me, 'aren't you too taking wages?'. I stood firm only in the hope that you would be arriving"

"If you take wage it is for the work that you do. Then, shouldn't you, besides that wage, get profit on your capital? These difficulties will not be there if everyone gets to know of matters of economics. No disputes will arise if workmen correctly understand that the capital invested must get profit".

"Please write that book soon. I myself will get it printed".

"My concern is that everyone should know how essential it is for the investor of capital to get profit. This is how I am explaining the source of profit....." - Thus both of them were immersed in conversation of the 'economic science'.

The labourers worked until dark and produced another 50 meters of cloth. They made use of some more raw materials and instruments of labour in that work also. No work can be done without their being spent. As on the first occasion, raw material worth 15, instruments of labour worth 25, and living labour worth 20 were spent for these 50 meters of cloth also. The total is 15+25+20=60. Whatever elements with whatever value were required for the first 50 metres of cloth, the same are required for this also.

But, the capitalist does not spend anything for 'living labour' this time. That is, he won't give wages this time. This time he spends on all other items except for labourers, i.e., for 15+25 only. He cannot avoid this expenditure because labourers cannot work if the raw material and instruments of labour are not given. It is only with regard to the payment to labourers that he is able to escape. What has accrued to the capitalist since he has not paid wages to them again? Whatever he evaded by way of not paying wages, the whole thing is a saving for that fellow. Capitalist avoids spending the 20 value again.

Though the capitalist did not give again 20 to the labourers, that 20 value also will add to the cloth. That is what the capitalist wants.

What is the total value, if we now see 100 metres as a whole? The total raw material that went into it has a value of 30. The total value of the instruments of labour is 50 and the entire living labour has a value

of 40. These three aspects put together are 30+50+40=120. This is the real value of the cloth. Its actual value.

But, how much did the capitalist spend on getting this cloth? He simply invested 30 for raw material + 50 on instruments of labour + 20 on wages = 100. That is, the capitalist spent the whole expenditure, whatever is to be spent on the raw materials and the instruments of labour. But, he evaded half of the amount to be paid to the labourers.

Does it mean that labourers performed labour worth 20 since the capitalist spent only 20 on wages? No. They did labour worth 40. That is, the capital made labourers perform labour worth 40 but paid only 20 as wages.

Does it mean that what has, in fact, been spent on the production of that cloth is only 100 since the capitalist spent only 100 for that cloth? No. 120 has been spent.

We have seen that, in the market, the same kind of cloth has 60 value per 50 metres. Which means, '120 value' if it is '100 metre-cloth'.

Now if our cloth-capitalist sells the 100 meters cloth he would get 120. When the 100 which was spent initially is taken back, that excess '20' will be the 'profit'.

What happens if the capitalist gives 40 instead of 20 as wages to the labourers? What else happens? 'Profit' disappears. The story of the 'capital' itself ends. If 40 are given for the wages, the expenditure spent by the capitalist for that cloth and the value of the cloth become equal. The 120 obtained by selling the cloth equal the expenditure. Nothing remains as 'profit'.

Therefore, there won't be the story of "profit" if labourers are paid whatever is due to their labour.

In this example, if the capitalist gives 20 as wages, it does not mean that labourers have performed labour worth 20. Even if the capitalist gives only 10 instead of 20 as wages, the value of the labour of the labourers will not become 10. If the capitalist evades entirely, without paying wages at all, it does not mean that the work performed by the labourers does not have any value or that they have not done work at all or that the cloth has been produced without living labour. **That is, whatever the capitalist gives as wages is not the value of the labour of labourers.**

'Wage' itself is not 'value of labour'.

'Wage' is different and 'Value of labour' is different.

It is not possible for both of them to be in the same 'quantity'. The value of the wages that the capitalist gives to the labourers is invariably less than the 'value of labour' that the labourers give. Or, in other words, the value of living labour will invariably be higher than the value of wages because the difference between the two should be secured as 'profit'.

If the wage given by the capitalist and the value of labour given by the labourers are 'equal', there will be no scope to add more value to the commodity than the 'capital' spent by the capitalist. If no such way exists, the question of 'profit' will not be there. Therefore, the wage and the value of labour are not one and the same. That which comes as the 'wage' is not the value of labour. In other words, the whole 'value of labour' does not constitute wage. Only some part of it constitutes the 'wage'. 'Profit' is possible only when the 'wage' is necessarily less than the 'value of labour'. The whole secret of 'profit' is precisely this.

In the cloth example, the labourers had given the work equivalent of the 'value of their wages' 20 by working until midday. But, it was not possible for them to stop the work then itself. The capitalist has the 'right' to get the 'profit'. He will not keep quiet if they 'rob' him of his right. That is why they had to work more.

It means, the workers did the work 'additionally'. In addition to what? In addition to the 'value of the wages'! In this cloth example, labourers did again as much work without wages as they had done with wages. The labour, which they did without wages, is 'surplus labour'. The value that 'surplus labour' possesses is 'surplus value'.

If just wages are paid to the labourers for their daylong labour, they should get 40, instead of 20. But the capitalist paid them only 20. The remainder is 'surplus value'. That is 20. In this way, wage-labourers have to produce obligatorily 'surplus value' of some quantity or other. That is, they have to do obligatorily 'surplus labour'. That is, they have to take low wages and do more labour than the wages.

Every labourer working with the capitalist for wages is therefore producing more value than that of his wages. Only then, it is possible to add more value to the commodity to be sold than what is spent on it by the capitalist.

The commodity cannot acquire more value just because the capitalist adds to it all the expenses spent on raw materials, instruments of labour and wages. It acquires more value only when there is a means by which a certain amount of value is transmitted to the commodity without his spending anything for it.

The capitalist was able to add to the commodity the value of 100 that he had spent and 20 value without incurring any expenditure. It means that he enabled the cloth to acquire a value of 120 value with an expenditure of 100. It means, spending less labour, he could take more labour. We now know how the fellow achieved this 'miracle'. He achieved that 'more' labour by means of his expense on 'wages', but not by means of his expense on 'means of labour'.

(4) How do 'wages' perform the job that the 'means of labour' can not perform?

We have seen that means of labour, as they are dead objects, cannot give more value than their value. But, wages too are dead objects, isn't it? The means of subsistence of labourers themselves constitute wages, isn't it? Then, how are these means of subsistence able to give more value than their value? How do wages do the work which 'means of labour' could not do? It is not wages that do that work, but 'humans' who take wages. It is possible due to the difference between an object and a human being.

Like means of labour, wages too are dead objects. But if those dead objects themselves come to the work place, then wages too cannot give more value than their value. But, it is not wages that enter into the work place. Wages do not enter the work place. Wages are not spent on the new commodity in the same manner as the means of labour are spent in the course of producing the new commodity. They are expended outside the work place that is on the means of subsistence at the homes of labourers. Due to that expenditure, labourers get the capacity to do labour. With that capacity, labourers come to work place and do the work. While working so, it is possible for them to do labour having more value than the value of the wages that they consume. (We will see this aspect in the next chapter in greater detail).

No work will be done if both means of labour and wages come together to the work place in order to produce a new object. No new article will be produced. Therefore, the elements that stand in the work

place are not means of labour and wages but means of labour and the human beings. These human beings are able to do labour having more value than the value of the wages that they receive. That is, they are able to add more value than the value of wages to the commodity. In this manner, labourers can do what the means of labour could not do. The capitalist accomplishes the wonderful feat of earning more value with less expenditure by taking more value than what he gave to the labourers.

After the production of the commodity:

The commodity is produced. It is 100 meters of cloth. We have already assumed, for the sake of our example, that it has 120 value. But, if we look at the commodity, we cannot know how much value it has. Only the expenses spent on it are known.

Therefore, the capitalist has to firstly fix the value once the commodity is produced. Only then can he send it for sale. In order to fix the value, firstly all the expenses incurred on the commodity should be added. It is 100 if we add the expenses incurred on raw materials, means of labour and wages. To that extent, it is clearly known. But, if the commodity were sold at 100 only, the capitalist would get only the capital advanced. He won't get any profit.

Therefore, what the capitalist firstly does is, he adds all the expenses (That is 100). He would see how the same kind of cloth is being sold in the market (It is being sold at 120). Our capitalist also adds the same amount of profit per hundred as all the cloth-capitalists do under the then existing conditions. Let us suppose that the profit thus added is 20 per hundred. 100 expenses plus 20 profit is 120 in total. Thus, the value of cloth is fixed as 120. The capitalist sells the cloth at that value. To say that 'the capitalist sells the cloth' means, the cloth would be sold at that value without any difficulty.

It is because that there is actually 120 value in that cloth. That cloth cannot be sold at more than 120. It is because there is no more value in it than 120. All this is known to the capitalist owing to the regular 'market experience' that he has.

The capitalist, conventionally and habitually, adopts the method of adding profit over and above the expenses. He does not know any of the matters related to the economic science.

The value of the cloth is 120, isn't it?

The person purchased that cloth (another capitalist or the labourers) give 120 money by taking it. Here, the purchaser of the cloth has not given any more value. He gave 120 money only because he took the cloth valued 120. 'Exchange' took place between the 'cloth' and the 'money'. This is the 'exchange' of 'equal values'. However, neither the seller of the cloth nor the purchaser of the cloth knows all these things.

The cloth-capitalist, due to sale of the cloth, not only gets back 100 capital but also gets 20 profit out of the money paid by the purchaser. Seeing this, the seller of the commodity thinks that the profit has been derived from the purchaser himself.

In fact, the capitalist who sells his commodity does not adhere to a single opinion regarding the value of the commodity and profit. He talks in whatever manner his mind works. "Why did the buyer give that 120 value? Did he give it because the cloth possessed or did not possess that much value? How did this 'profit' in fact arise?". While pocketing the profit, he says "don't you know even that? You know I have sold away the cloth? I got profit by sale."

If we question him, "you spent only 100 for the cloth, isn't it? Why did you fix its value as 120?"

He says, "Then, my profits? Shouldn't I get my 'profit'? Says the capitalist thus: "What all I have spent on the cloth is my capital. I have added another 20, just like that. I did so because I should get 'profit'. That itself is my profit". He knows only that much.

But, what is the actual thing? The value that is 'simply added' by the capitalist to his expenses (to the 'capital' invested) in the name of 'profit' also is the value 'existing' in the commodity. Nobody can add the 'non-existing' value. Because, if the principle of adding the 'non-existing value' applies to one capitalist, it applies to all capitalists.

If the cloth really does not have 120 value (if it has only 100 value), the capitalist could not have added 20 value more to it. If he adds so, it amounts to adding the 'non-existing' value.

What happens if the 'non-existing value' is added? Adding the non-existing value means, increasing the commodity value without any reason.

If such a thing were done by a single capitalist alone while others do not do it, the fellow who does it would get more profit. But, no such

situation exists wherein a single capitalist alone can do that. All fellows possess the right which one fellow possesses. All the fellows do the same thing which one fellow does.

Let us suppose that all the capitalists added the non-existing value at the rate of 20% to their commodities. What will happen then? The values of all commodities increase without any reason by 20%. It means that every capitalist sells his commodity at that increased value and purchases the commodities of others at these increased values. That amounts to non-increase of values.

Then, these increased values become the 'actual values' of the commodities. Then, the value that has been added also becomes a part of the 'actual value'. All the non-existing values get cancelled.

Let us see the issue of adding the profit by changing facts in 2 or 3 more types. By changing so, it would be possible to understand things irrespective of how they vary.

Now, let us try increasing the profit added by the cloth-capitalist. Capital is 100. The actual value of the cloth is 120. Here it is possible to add only 20% profit. But, let us suppose that the capitalist added 50% profit and fixed the value of the cloth as 150. To the extent of 20% profit, the cloth has that value inherently. The cloth does not have the 30% value over and above the actual value. That is, in this example, the cloth capitalist added that non-existing 30% value also! What will happen then? Will that cloth be sold at '150 value'? It gets sold on one condition. On the condition that all the other capitalists also add non-existing value of 30 to their capital! If he sells his commodity with the non-existing value of 30%, he will be obliged to purchase the commodities of others also with the non-existing value of 30%. The summary is that the values remain as ever.

Let us see this in another way. The actual value of some cloth is 120. The actual value of some grain is 120. If an exchange takes place between this cloth and this grain, it is an exchange of 'equal values'. Suppose that both these capitalists have increased the values of their commodities by 25% each. That is, 30 more will be added to 120.

Now, the value of the cloth is 150. The value of the grain is 150. Even now, exchange takes place between that cloth and that grain as in the past. More grain than in the past does not come for that cloth. That cloth won't get more cloth than in the past.

The value of the 2 commodities being 150 each now is the same as the values being 120 each in the past. No change in the value relation of these commodities occurs due to that.

Either the cloth-person or the grain-person does not get any more value than in the past due to the increase of values without any reason.

The present 150 value of these commodities is equal to the 120 value of the past. That is, none of these two capitalists could add the 'non-existing value' to his commodity. Because the other (second) capitalist also can and will do the same thing.

Let us see the same thing in a third way also.

In the cloth example, the value of the labour of labourers is 40. Wages 20. Capitalist's profit 20. Isn't it?

Let us suppose that the capitalist gives 40 as wages to the labourers instead of 20, adds another 20 over and above it, and fixes the cloth value as 140. Will it then amount to snatching of 20 profit from the labourer by the capitalist? Yes! Then also it amounts to the same. Because, the capitalist will, then, also get 20 more due to that commodity. If we assume that expenses spent by the capitalist as 120 and the selling value of the commodity as 140, the difference would be 20. That is the profit of the capitalist. The question as to: "How is this 20 profit derived?", will still remain then also. Neither raw material nor instruments of labour can give more value than their own value. Only labourers can do it. Therefore, even now profit is derived from the labourers.

Which means, when 'something more' is added over and above the expenses, the question of profit remains as ever even if 40 wages instead of 20 are paid.

However, the calculations here vary a little when compared with the past. When the value of the cloth is enhanced from 120 to 140 without any reason, the same principle applies to all other commodities. Therefore, the value of the raw materials as well as the value of the means of labour necessary for cloth increases at the same level (as that of the value of cloth increased).

If the value of the cloth is 120, that itself is its actual value. Profit is included in that value itself. The expenditure incurred by the capitalist will be less than that value.

Or if that 120 value is enhanced to 140 without any reason, then 140 itself will be the actual value. The profit is included in that 140 also. The expenditure incurred by the capitalist will be less than that value.

Or if that 140-value is enhanced to 160, then that 160 itself is the actual value. The profit is included even in that (actual value). The expenditure incurred by the capitalist will be less than 160.

So many examples are not needed. Any number of ways we may see this issue, the essence of all the ways is the same. The value fixed by the capitalist, whatever it may be, at the time of selling the commodity, will alone be the 'actual value' of the commodity. That value gets added by way of 2 factors: (1) means of labour and (2) living-labour. The first factor cannot give more value than its own. The second factor (that is, the living labour) can give more value than its own.

Therefore, even if every capitalist adds the 'non-existing' value for the sake of profit, the 'actual value' includes that non-existing value also. On the whole, it means that it is not possible for the capitalists to add the 'non-existing value' for the sake of 'profit'. The value that seems to have been 'added' also is a part of the 'real value'.

If it is possible to add the 'non-existing' value to the 'capital', there need not be a limit such as 20 or 50 to it. It should be possible to add however much value. But, in the cloth example, the capitalist cannot add more than 20 to 100 capital. Why? Why can't he fix the cloth value as 500 by adding 400 profit to 100? Why can't he fix it as 800? Doesn't the capitalist need that much profit? Has he decided to satisfy himself with 20 profit only? Why doesn't he add more profit?

When we ask him about it, he says: "The value of this cloth is only 120 in the market. It is not more than that, isn't it?".

If we ask, "Why not more"?, he would say, "Don't know. There is nothing more than that". That fellow does not know more than that. What he does not know is this: the labour spent on that cloth is not more than 120. Hence, it will not be sold for more than 120. (We will see elsewhere in greater detail as how our conversation with the capitalist will be, regarding 'adding' profit).

Here, we have to properly understand three aspects relating to limits of the value.

1) There will be a limit for the 'total labour' spent on one commodity. It cannot be unending without any limit. That 'total labour' itself is the 'actual value' of that commodity. It is 120 in the cloth example.

2) There will be a limit also to the 'capital' spent on getting a commodity made. The capitalist always tries to spend less as far as possible. However much he may try to lessen the expenditure, there will be a limit even to that 'less' also. That itself is the 'capital' spent on the commodity. In the cloth example, it is 100.

3) There will definitely be a difference between those 2 limits. The expenditure incurred on the commodity will definitely be a difference between those 2 limits. The expenditure incurred on the commodity will definitely be more than the 'capital' expenditure. The story of the capitalist will not at all be there, if such a difference does not exist. In the cloth example, it is 20. That is why the capitalist could add only 20 as his 'profit'. He cannot add more than that. That is there will be a limit even to that which is added as 'profit'. Therefore, it is not possible to add as much profit as one wants.

The capitalist will have an understanding as to how much value can be fixed to his commodity and how much profit can be added to his 'expenditure', based on the regular experience of the market conditions.

Selling the commodity at the value, which is arrived at by adding the 'profit' to the 'expenditure', means, selling the commodity at its actual value only. What remains after a commodity is sold at the 'actual value' and after the expenditure is taken back is the profit. It is part of the actual value itself but not unrelated to the value.

If all these things are correctly understood, it amounts to a correct understanding of the whole of real economics. All the aspects which we are going to see later depend on this foundation.

The 'secret of profit' which is seen very easily here has not been within the grasp of society since hundreds and thousands of years.

The capitalist and the labourers hold completely false notions regarding 'profit'. They assume that 'profit' has no relationship with the 'commodity value' and that it comes from 'outside' (from where?) by simply adding to the 'expenditure'. This is a notion formed due to thinking that 'what appears on the surface itself is the total truth'.

This notion is very beneficial to the capitalist. But it is very harmful to the labourers.

(5) Do 'means of labour' perform labour?

In this context when we are seeing 'how profit is derived?', we have to correctly understand the difference between producing 'use-value' and producing 'value'. Because this is one of the aspects which bourgeois economists have been unable to understand. They believe strongly that 'means of labour yield profit' and ask the labourers also to believe the same. Hence, this aspect has to be understood properly.

Cloth means 'use-value'. Here, we see the physical properties of the cloth. Persons who perform labour as well as the means of labour have an equal role to play in making cloth.

When we speak of the value of cloth, it is the total labour spent on cloth. That is 120 and out of it, the 'dead labour', relating to the 'means of labour', is 80. The 'living labour' of those who wove yarn into cloth is 40. Though 'dead labour' is concerned with the 'means of labour', it has also been done by the people of past generations. As the humans do the living labour, humans did the dead labour as well.

All the means of labour are objects and no object does the work by itself.

Humans do the work by themselves. That work stands as 'value'. Which means, humans produce 'value'.

But, means of labour do not work by themselves. That is, they don't produce value.

The total 120 value of the cloth has been produced by human beings only: 80 labour in the past and 40 labour newly. Which means, in the production of value, only humans have a role to play and means of labour do not have any role to play.

Now, we can offer answers to these questions easily.

Do means of labour perform labour? They do not. Because they are objects.

But will the means of labour yield value? They do. They do not produce value by themselves. As they are spent on commodity, their value goes to the commodity.

Use-value = Natural substance + human labour.
Value = ... Human labour alone.

One of the very important things that capitalist economists failed to understand is the difference between 'value' and 'use-value".

The capitalist economists too say that 'value means labour only'. But they hold various wrong notions as to 'what labour is'. In their view, both what the labourers do and what instruments of labour do counts as labour. They think that instruments of labour also perform 'labour' because they too move while labourers do the work. Moreover, they imply that means of labour yield profit.

Their line of thinking is this: Labourers too perform labour and means of labour too perform labour. All of them together produce value. However, labourers receive wages in return to their labour. Then, the whole of the remaining value is yielded by the means of labour. As the means of labour belong to the capitalist, the whole values yielded by them belong to the capitalist. It is profit that remains after deducting the expenses of the means of labour from that value. Which means, it is means of labour alone that yield profit — This is the conception of capitalist economists.

Let us see this through the expenses of cloth.

The value of means of labour spent on cloth is 80. Wages 20. What the capitalist added as profit 20. Value of the cloth is 120. According to capitalist economists, the value given by labourers who work with 20 wages is 20 only. That goes as wages to them only. The 100 value that still remains is derived through means of labour. If 80 are deducted out of it as the expenditure on means of labour, the remaining amount is profit alone. That is 20. It means that profit is derived through means of labour only. As means of labour belong to the capitalist, profit belongs to capital — This is the conception of capitalist economists.

These economists ignore the distinction between what the humans do and what the objects do. They ignore the distinction between use-value and value. As they ignore this aspect, they cannot understand how profit is produced. They don't even try to understand.

By now, we know at least the answer to the question of whether means of labour or labourers yield profit.

Until now, we have been examining raw material, instruments of labour and labourers in order to see the source of '20 profit' derived by the capitalist from the cloth. We found at last that profit is derived from the labourers.

The value of 100 metres of cloth is 120. The expenses, which he incurred for it, are 100. Expenses mean the capital expended. It is the profit that remains when capital is subtracted from the value of the commodity.

When we speak of a 'commodity', it may be arbitrarily big or arbitrarily small.

If we consider 100 m. cloth as one single commodity:
Its value is 120. Capital 100, Profit 20.

If we consider 10 m. of cloth as one single commodity:
Its value is 12. Capital 10, Profit 2.

If we consider 1 m. of cloth as one single commodity:
Its value is Rs.1.20. Capital 1, Profit 20 paise.

However we may look at the thing, the essence is the same. When we speak of a commodity, the question of its quantity is not relevant. Whatever be its quantity, we only take into account the value of so much quantity of the commodity and the capital expended for it. However small a commodity may be, of the little value it has, some part of it represents 'capital' and some part of it represents 'profit'. There is no need for 'capital' to be in hundreds or thousands. The capital of 1 metre of cloth is only one rupee and its profit is 20 paise only. If we consider half metre, only half a rupee is its capital and only 10 paise its profit.

The cloth capitalist gets a profit of 20 when he sells his 100 metres of cloth. Whether he sells it as a whole at a time; or one metre each time; or at the rate of five metres at one time, seven at another and seventeen yet another time.

That profit is nothing but the part of the labour of the labourers who produced that 'cloth'. That is the value given in 'excess' by the labourers over and above the value of their wages. That is why 'profit' is the 'surplus value' of the labourers.

(6) Does the capitalist do 'labour' or not?

Depending upon whether the capitalist also does any labour or not in the work place for the production of the commodity, we have to make a slight modification in our understanding of profit.

If the capitalist also does labour, the profit pocketed by him decreases somewhat. Otherwise, profit increases somewhat. Let us see it through the 'cloth example' now.

Let us suppose that the capitalist does "Labour of organising" (Labour of supervision/Labour of Co-ordination). It is also necessary for the production of the cloth. Suppose that there are 9 labourers at the capitalist to do other work apart from that work (of making cloth). All the 10 people have made the cloth. The capital spent is 100. Out of it, wages are 20. Value of the commodity is 120. Surplus value is 20.

The wage of the capitalist is also included in 20 wages.

Suppose that each gets a wage of 2.

The capitalist's share is also included in the 'surplus value 20'.

Suppose, surplus value of each person is 2.

There is no problem if the capitalist doing labour takes '2 wage'. The fellow has to receive wage for the labour he rendered. Further, there is no problem if he takes '2 surplus value' also. He has to take all his labour. Therefore, this capitalist doing labour has the 'genuine' right to take only the 2 wage + 2 surplus value = 4. But, the capitalist does not stop there. He takes both '2 wage' and the total '20 surplus value'. The share of the capitalist in that '20 surplus value' is 2 only. The remaining belongs to the 9 labourers. That is 18. In this example, the capitalist takes this 18 'unjustly' in the name of 'profit'.

Let us see now what happens if the capitalist does not do even the 'labour of organising'. When the capitalist stops doing that work also, he will not be in the work place. Then another employee has to come to the work place to do that 'labour of organising'. That employee will also become a labourer working for the capitalist. Thenceforth, all the calculations of labour will be as ever. Now, all the 10 labourers together produce the cloth. Capital is 100. Out of it, wages are 20. Value of the cloth is 120. Surplus value is 20.

If the case of the employee doing 'labour of organising' is seen separately, his wage will be 2. His surplus value will be 2. However, this employee also gets only the 'wage' like the other labourers. He won't get surplus value.

Now, the entire surplus value of the 10 labourers goes to the capitalist. That is 20.

While the surplus value of the others which goes to the capitalist if he also works is 18, the surplus value that goes to him after he stops doing labour will be 20. In this way, there is a little difference in the profit that goes to him depending upon whether the capitalist is doing labour or not.

Whatever one gets, it is his 'income' (Revenue).

The value which 10 labourers get is 20 wage. Each gets 2 wage. That is their 'income'.

Now, regarding the income of the capitalist.

The income of the capitalist who performs labour is 'the value of his own labour-4'. (Wage 2 + Surplus value 2). In addition to this, the surplus value of 18 that comes from 9 labourers. Total-22. Which means, that fellow is getting the value of his own labour as well as some value from others. Moreover, the income that he gets from others' labour is many times greater than the income that he gets from his own labour. While the income of each worker is only 2 (though all the labourers do labour), the income of the labouring capitalist is 22.

If we consider the non-labouring capitalist, he won't have wage. Yet there is no dearth of income for this fellow. This fellow can extract surplus value not merely from 9 labourers but from 10. It is 20.

If capitalist is a labouring-person, the labourers work harder than the capitalist and yet they get merely a wage while the capitalist gets profit in addition to the wage.

If the profit of the capitalist who does not labour is 20, the whole of it belongs to others. He got it without doing any labour. Similarly, if the profit of the capitalist who does the labour is 18, it too came to him even though he did not do any labour. Our question will be only on that part which constitutes the 'profit'. The question is 'how is profit derived?' If it is 20, "how is '20 profit' derived?" and if it is 18, "how is that '18 profit' derived?"

It cannot be said that the capitalist who does not labour alone swallows profit and the capitalist who does labour lives on his own labour without swallowing the profit. Therefore, as regards this profit, the capitalist who does labour is also equal to the capitalist who does not do labour. Therefore, whether the capitalist is doing labour or not is a meaningless distinction. Both the fellows — one who does labour and

one who does not do labour -- are snatching the labour of labourers as profit in the same manner.

To an ordinary mind which is not aware of things relating to 'value', it appears as though the capitalist works 'hard' and he takes profit in return to that 'hard work'. But, he gets profit not due to his own labour. If any one does labour, what is received in return to that labour will be wage and not profit. The 'toiling' capitalist gets not simply a wage but also profit. That (profit) is not the labour of the capitalist but the labour of the labourers.

Now, we have to again go to the work place of our cloth-capitalist. We have seen earlier that the labourers resumed work in the afternoon and produced another 50 metres of cloth again. The labourers stopped working after that work was also finished.

The capitalist anxiously examined his accounts again and again. Instead of 50 metres of cloth that was there at noon, there is a total of 100 metres of cloth is ready now. This could be sold for Rs.120 in the market. The expenditure that he incurred is only Rs.100. The profit is Rs.20. Surprising!

The profit that he could not find in the cloth at noon was found by night! Everything went off well! Profit secured! 20 profit on 100 capital!

Having gone through all the accounts, the capitalist paid the labourers their wages. Taking these wages, they began to go back homes in the darkness with the bodies tired with the whole day's toil, disappointed and silent.

The capitalist's anxiety has now receded. 20 profit on 100 capital. $^1/_5$th of the capital as profit! This is quite natural! Who would invest capital if there were no profit? Are the investors crazy to invest? He walked toward the window thoughtfully and looked into the garden. Very strangely, the sire (the capitalist) could now see the beauty in the plants. 'Beauty' wherever he looked: in flowers, in birds, in the blue sky! Beauty which he could not find before seeing 'profit' in his commodity. Beauty that was nowhere when there was no profit in the commodity!

Overwhelmed with joy and hence unable to stand at one place, he is strolling on the soft carpet. There is now no hesitation in his gait. Even his feet have acquired dignity and poise. He is walking with measured steps. If a poet-sycophant were to see him now, he could not refrain from describing the full-blown flower of his face, his gait and his smiles in

such a way that the capitalist himself would be astonished at himself. He cannot restrain himself from surrendering his devotion to art and his skill at the feet of the capitalist.

(7) Living labour plays 3 roles :

'Living Labour' means Labourers only. Labourers play 3 kinds of roles by doing labour.

1) Reproducing the 'value of wages'.
2) Producing 'surplus value' newly.
3) Transferring the 'value of the means of labour' to the commodity.

Now, let us see these things successively.

(1) Labourers reproduce the value of the wages:

'Reproduction' means 'producing again'. That is, spending the already existing value and reproducing the same simultaneously. 'Spending 1 kilo rice and producing again 1 kilo rice simultaneously' (that is, in 1 day) means reproducing rice. Though the rice that came into existence in the reproduction is new, it came in the place of the old rice. It means that the old rice itself got reproduced again. The same is the case with the reproduction of wages. Wages, in the cloth example, are 20. Wages are those articles that that money can procure. Wages are part of the capital.

Wages are not paid before the work is started. They are paid only after the work is over. Therefore, labourers cannot spend the wages of a day on the same day. They spend yesterday's wages today and today's wages tomorrow and so on. Yet, this amounts to spending the wages of a day on the same day. Because, the work to be done and the wage for it do not vary daily. The same work and the same wages continue to exist. Therefore, though yesterday's wages are spent today, it amounts to spending today's wages today itself. The means of subsistence are available with the labourers before they begin the work at the work place. Labourers, on the one hand, spend those means of subsistence and on the other hand do work simultaneously at the work place of the capitalist. There, they produce objects of some kind. Those objects may be either means of subsistence for labourers or other kinds of objects. After the labourers get down to work, they have to first do the work necessary for the value of the wages. Here, we supposed the value of the wages as 20. Suppose labourers have done the labour of 20 value by the noon. What

does it mean and what has happened by that time? It means that labourers have done the work equivalent to the value of the wages. Which means, labourers, on the one hand, are spending the past labour of 20 value for their subsistence and on the other hand, are doing new labour of 20 value. This itself is reproduction of the value of wages. Owing to this, no new value that was not there earlier is created. Whatever was there in the past gets spent and the same comes back again. What has happened so far is that the value of 20, which the capitalist spent on wages, has simply returned to him.

The process of getting profit has not yet begun. If we see from the side of the labourers, the work to be performed by the labourers will be complete only if they do work equivalent to the value of the wages (according to this example, if they do labour of 20 value).

(2) Labourers produce surplus value afresh:

Labourers do not stop the work as soon as the wages are reproduced. They will do some more work even after that. If we assume that labourers did labour of 40 value in return to 20 wages, it means that they have done 20 surplus labour in this example. This surplus labour itself becomes surplus value. The capitalist does not pay anything for this surplus labour. That is, the capital is not spent for buying this labour. This labour is something, which is done fully afresh without spending any object that was already existing. That is why, this is not a reproduced value but a totally new value. A value that did not exist earlier. Only through this surplus value was it possible for the capitalist to add more value than the wages to the commodity with the expenditure of wages.

(3) Labourers transfer the value of the means of labour to the commodity:

We have to recall here what means of labour are. The totality of raw materials, instruments of labour and auxiliary material constitute means of labour. Means of labour, having been produced at several places, come to the present work place and are ready while the new object is being produced. New work begins only when means of labour are ready. There is no way of carrying on work without means of labour. No work is carried out in a vacuum. Labourers, after they get down to work, do the work using means of labour. Means of labour get consumed as the work goes on. That consumption is counted as the expenditure related to the new object. That is, that expenditure is added to the new object. If we see this in terms of value, the value of the means of labour gets transferred to

the new object. Which means: this transfer (the transfer of value of means of labour to the new object) takes place only if labourers go on doing work. Means of labour do not move and do not get exhausted if labourers do not work. Then the question of transfer of their value to the new object does not arise. In fact, there won't be a new object at all. Which means: due to the working of labourers, not only the two things which we have seen earlier, but also a third thing is happening. That is, transfer of value of means of labour to the new commodity. But labourers need not do anything special for this. However, since no work is carried out in a vacuum without means of labour, means of labour get exhausted while labourers go on doing their work. As means of labour do not move if labourers do not do work, it is labourers who are responsible for the exhaustion of means of labour and for the transfer of their value.

Let us see this aspect through an example.

The value of 'carpentry' is Rs.2 per hour. A labourer called Ravi worked for 4 hours and made a stool. It means that the value of the total 'Living Labour' is Rs.8. Means of Labour having a value of Rs.10 have been spent on that stool. There is 5 hours of 'dead labour' in those means of labour. (It means that there is 5 hours of labour in those 10 rupees at the rate of Rs.2 per hour). That is, both living and dead labours have been spent on the stool. The value of stool is 8 + 10 = Rs.18.

If we see this value in terms of labour time, Living Labour is 4 hours and Dead Labour is 5 hours. Total 9 hours.

Now, we have to make one thing clear. What is the labour time during which Ravi made the stool? - 4 hours or 9 hours? Do 9 hours that have been spent for the sake of stool constitute Ravi's labour? No. The labour time of Ravi is only 4 hours, not 9 hours. Ravi has nothing to do with the 5 hours of dead labour. It is not the labour carried out by Ravi. In fact that dead labour was not carried out during the time in which this stool was made. All those means of labour had already been made. It is a different question that whether Ravi or some one else made those means of labour in the past. While we consider the stool, the time during which Ravi did the labour was only 4 hours. The remaining 5 hours are related to the means of labour. That labour does not take place here afresh. It merely gets transferred.

Let us see the same thing in terms of 'value' also. We saw the value of the stool as Rs.18. Is whole of it the value of labour of Ravi who made

the stool? No. Only 8 of it are the value of Ravi. The remaining 10 are related to means of labour. That 10 value was produced in the past itself. Ravi has not produced it here again. That gets transferred to the stool.

Transfer of the value of means of labour to the new commodity means neither reproduction of value nor production of value afresh. It simply means transfer of value from one place to the other. That is from the means of labour to the new object. Hence, it merely means 'transfer'.

If we properly understand the question of 'transfer of value', we will know that the value of the means of labour would never be spent. In the example of the cloth, if some means of labour are bought with 80 money and brought them into the production process, that value will come back again through the cloth. With the returned 80, new means of labour would be procured. With them, the new process of production will be carried out and new cloth would be produced again. In this manner, the value of means of labour is handed over from one process of production to another process of production and means of labour are exhausted. However, their value will not be exhausted. This is a very important aspect that has to be grasped with regard to the value of the means of labour.

However, this act of transfer of the value of means of labour is taking place due to labourers only. To say the same thing in other words, 'Living Labour' is responsible for the transfer of 'Dead Labour' to the commodity.

Thus, labourers are responsible for three things, namely,

1) Reproducing wages.
2) Producing surplus value afresh.
3) Transferring the value of the means of labour.

We have examined these things in so detailed a manner because the capitalist economists do not know these things correctly at all. They expressed various wrong notions. Some economists thought that labourers not only reproduce the value of their wages but also the value of the means of labour. Contrary to this, some economists assumed that not only the value of means of labour but also the value of wages gets transferred to the new commodity. Moreover, they thought that means of labour too, like labourers, do the labour and in fact means of labour do more labour and only they yield more labour. Thus economists expressed various wrong notions.

If such questions—as what values are reproduced, what are produced afresh and what are merely transferred in the process of production of a commodity - are not clearly understood, it becomes impossible to grasp the issue as to how 'profit' is produced and from where it is derived. Due to the failure of understanding of these important questions, capitalist economists were unable to grasp the source of profit. Just because they are so important, we had to examine these questions in so detailed a manner.

We have seen in the beginning itself that all the expenses which the capitalist spent on the commodity are capital.

When the commodity is produced and sold, the capital invested by the capitalist comes back and profit is also derived— isn't it?

The labourers alone are responsible for both these things: derivation of profit and return of capital. If labourers do not do the labour, neither the commodity is produced nor the value of capital is transferred to the commodity or profit is derived.

But, the capitalist does not know these things. He does not know that his means of labour cannot get him more value than their own value. That fellow, intoxicated by his 'capital', does not recognise at all the role of the 'living labour' (the role of the labourers). He thinks that his capital has wonderful powers. He thinks that the capital itself produces the 'value' and the capital itself gets him the profit from somewhere.

He prepares his account simply in the customary manner as follows without realising how the invested capital comes back and through it, how profit is derived.

Commodity produced - 100 m. of cloth

	Rs.
1) Expenses on raw materials	30
2) Other Means of labour	50
3) Wages	20
4) The profit that I added	20
Value of the commodity produced	120
Expenses	100
Profit	20

One thing should become clear to us as soon as we see the account of the capitalist. "The profit that I added is 20" should be taken to mean "The value that the labourers gave without taking wages is 20". He however, does not agree that he had taken it from the labourers without paying them wages. He argues that he had only 'added' it to his expenses. In fact he does not honestly tell us the rate of profit that he adds. Suppose that he told us thus: "I have added 20".

If we ask him, "Why have you added only 20? It is up to you! Why didn't you add 50?", he would say, "Should not the commodity be sold if I add so much?" But he would not say, "Is it not wrong to add so much?" It means that he would add 50 per 100 or any huge amount if he were not worried about its sale.

If we say, "Why can't it be sold? When it can be sold if you add 20, why can't it be sold if you add 50?", the fellow would point to another cloth-capitalist and say, "Look at him, he too is getting the same commodity produced as I have been doing. He is selling it at 120 only. Who will buy from me if I add more and sell it dear while he sells cheap? All will go to him only. Therefore, I too have to add the same which he adds."

"He too might say the same thing by showing you. Why don't both of you add at the rate of 50?"

His eyes get brightened. "50 percent profit! What a heap of money! True!... But..." he gets disappointed and says, "No, it is not possible."

"Why is it not possible? Tell us. We want to know."

"Haven't I told you that it is not possible? It is not possible for me to add so much."

It would have been better if, instead of saying, "it is not possible, it is not possible", the fellow had said, "I don't know". He won't say that. But in fact, the fellow does not know more than that. Why, he alone? Even his economists do not know more than that.

The fellow does not know anything other than: adding up all the expenses he incurred for getting a commodity produced and adding some more to the extent of the highest possible selling-price based on his market experience; selling it and pocketing that profit.

No capitalist and no capitalist economist knows that one cannot add profit to his expenses as he pleases; that there exist principles of law

of value that control the rate of profit; that there is competition between the capitalists and between the 'branches' of capital which makes it impossible for a capitalist to grab as much profit as he likes; that all these conditions fix a limit to the rate of profit and therefore, no capitalist can add profit to his commodity as much as he has in his mind. (We will see all these things in detail when we discuss "The general rate of Profit" and "Prices" in volume 2.)

Whether the capitalist added 50 profit or 5 profit on 100 capital is not a question. Whatever might have been added, that 'profit' has been snatched away from the labourers without paying them wages. That is the real thing.

(8) From which stage is profit derived?

A capitalist gets a commodity produced. That is one stage. He sells it. That is another stage. From which of these two stages that profit has been derived? Is it from the 'stage of production'? Or, from the 'stage of sale'?

Let us see briefly the whole course of a 'capital'. It will become clear which stage that profit is derived from.

1) The capitalist starts his activity first with some money.

It means that capital at first exists in the form of some money. Its symbol is M (Money). It is 100 in the example of cloth.

2) The capitalist purchases raw-materials and the other means of labour produced at the other capitalists, with 80 out of that 100 which is the 'capital'. It is the 'stage of circulation' when a commodity is being purchased or sold. Whether we call it 'circulation', 'exchange' or 'buying and selling' —they all mean the same. The capitalist starts his process first with an act of circulation of purchasing the commodities of other capitalists. Then, the cloth capitalist will stand as the purchaser. We will see the issues according to the general law that 'the commodities are sold at the actual value'. The cloth capitalist will simply get the commodities having a value of 80 only from the other capitalists in return for 80 money. He won't get more value than that. Therefore, the cloth capitalist does not get any 'profit' in this act.

The capitalist purchases the 'labourers' with the remaining 20 in the 100 capital. Labourers also are commodities. As soon as the labourers are engaged with 20 and before they started the work no 'profit' is derived

even through them. Though the wages are not yet given to the labourers, let us imagine that they have been given, as they will indeed be paid to the labourers. What has happened so far is: 100 money left the capitalist and the means of labour and the labourers came to that 'work-place'. That is, 100 money changed as the commodity having the same value (means of labour 80 + wages 20).

Symbols of this stage:

Money	–	Commodity
M	–	C
100	–	100

Profit has not yet been derived.

3) Now the 'new commodity' will be made. This is the stage of 'process of production'. In this stage, the 'means of labour' are spent. Labour equivalent to wages and some 'surplus labour' too are spent from the side of the labourers. In the cloth example, these are 80+ 20+20 respectively. All these expenses are incurred and the new commodity is produced. The symbol of this stage is: P.

4) The 'new commodity' has been produced. That is 100 metres of cloth. 100 capital has been spent on this. Therefore, the entire 'value of the capital' will add to this. Further, as '20 surplus value' (surplus labour) more than the capital has also been spent, that value too gets added to the commodity. Which means, the new commodity is of 120 value. This is a new commodity ready for sale. Its symbol is : 'C^{1}'. (This should be read as 'C-one'. That is, 'commodity one'). 'C^{1}' means, a new commodity with a value higher than the 'capital' spent.

5) The new commodity made is not meant for the capitalist's own need. The capitalist does not keep all that for himself. (In case, the capitalist uses some part of that commodity for his own familial need, the value calculations will not change due to that. Therefore, such details as what part the capitalist uses from the new commodity are irrelevant). The capitalist has to now sell the finished cloth. That is, he has to give away that cloth and take money equal to that value. That is what sale means. If it is not sold, whatever profit may be there, it won't come to the capitalist. Moreover, if it is not sold, the capital spent on it also won't come back. It will be possible to use the capital only if it comes back. Therefore, either to get back the capital spent or realise the profit in the commodity, the

commodity has to be sold and 'money' taken. That is, the circulation stage (exchange stage) is again necessary. At first, the capitalist acted as the 'purchaser' and purchased the raw materials etc., from the other capitalists. Now the capitalist stands as the 'seller' and sells his cloth to others (to the other capitalists and to the labourers as well). We will see that this capitalist sells his commodity at its actual value as he purchased others' commodities at their value. The same general principle that 'commodity is sold at its value' also applies here. That is, the purchasers of this cloth will give so much money, which is equal to value of the cloth. They won't give more than that.

How much money does he get for this cloth? 120 money. Cloth leaves him. If 120 money is received, it means that the 100 capital spent on the cloth has come back. 20 profit on it! How has this profit been derived? Did the purchaser of the cloth give more money than the value of the cloth? No. He gave only that much money, which is equal to the value of the cloth. He took the commodity having the value equal to the money he gave. That is, the cloth has been exchanged at its actual value only. Then how profit has been derived? It has been derived from the value contained in the cloth. It has not been derived from outside.

Between the 'cloth' and the 'money' there took place an exchange of 'equal values' only. Yet, 'profit' has been derived from the cloth.

When an exchange takes place between the 'commodity' and the 'money', the capitalist who has purchased the commodity will not get any profit. The capitalist who has sold the commodity alone will get profit. That is, any capitalist will get profit only when he sells the commodity produced by him.

This is the stage in which 'cloth' changes into 'money'.

Symbol for this:

New Commodity	–	Increased Money
120	–	120
C^1	–	M^1

(This should be read as 'C^1 dash M^1')

'Profit' leaps into the hands of the capitalist when this stage is completed. The invested capital says with pride, "Look, I have fetched profit". The capitalist pats 'capital' on its back and clasps the profit to his bosom.

By the time that the first money comes back as increased money, 'the circuit of capital' will have been completed once. The whole of this motion can be seen thus.

Initial money	Commodity	Production Process	New Commodity	Increased Money
M –	C	.... P ...	C^1 –	M^1
100 –	100	.....	120 –	120

What does this whole of circuit of capital imply - that is, from which stage has profit been derived? From the stage of production? Or, from the stage of circulation? Both the stages are necessary for deriving profit. Profit is added to the commodity during the 'production stage' and is realised during the 'circulation stage'. If there is no 'production stage' wherein labourers work, there won't be a commodity that is filled with profit at all. If the 'circulation stage' of selling that commodity does not exist, there won't be any way of pocketing that profit by the capitalist. In this manner, both the stages together make the profit possible. However the profit is produced only in the production stage and not in the stage of selling the commodity.

When we see the finished commodity, neither its value nor the profit in it is seen. They come out only when the commodity is sold. Therefore, profit appears as something that comes as a result of 'sale'. It appears as if the profit is not related to the value of the commodity and it came from the 'circulation' alone, that is from the 'purchaser' alone, because the purchaser gave more value.

All the capitalists think that the profit comes from somewhere outside. They talk like that. Following the capitalists, their economists too repeat the same thus: "You want to know how profit is derived? It is derived from the sale of the commodity". The capitalist economists say nothing new compared to the capitalists.

(9) Does the value increase during the 'circulation stage'?

One more example would suffice to understand clearly, in unmistakable terms, the error of the contention that profit emanates from circulation even if that contention is twisted in any number of ways.

To earn 120 value with 100 value is possible only if 120 value, but not simply 100 value, is produced with 100. Therefore, we have to see

whether the process of increasing value takes place in the stage of circulation.

Circulation means, either 2 commodities or 'commodity and money' exchanging with one another. Let us suppose that 2 commodities came to exchange with one another. Does the total value of these 2 commodities before the exchange remain the same in these 2 commodities even after the exchange or does it increase?

A person has grain of 15 value and another person has cloth of 10 value. Each has his commodity with him. If we calculate the value of the two commodities, it comes to 15+10=25. The person with the cloth purchased grain with his 10 value. The cloth has left the hands of the cloth-person and grain of 10 value came to the cloth person from the grain person. The grain person now has with him grain of 5 value and cloth of 10 value. From whatever side we may see, this is 'giving a commodity of 10 value and taking a commodity of 10 value'. Therefore, it is an exchange of 'equal values'. What will be the total value after the transaction when the value remaining with both is calculated again? Will it be 25 only as in the past or something more than that? Will the values of cloth and grain, which took part in the exchange, remain the same as before or will they have increased? Will the value of cloth have become more than 10 and also the value of grain will have become more than 10 by the time the exchange is completed? It won't happen so. No such changes in the value of commodities take place due to means of exchange.

'Exchange' means changing (this side and that side) of the values already produced. The value of one commodity remains the same before as well as after the exchange. That is, the value does not either increase or decrease as a result of the 'exchange'.

What will be the total value with these two persons if we calculate after the completion of the exchange between '10 cloth' and '10 grain'? The total value remains 25 as in the past including the '5-grain', which did not enter into the exchange and is still held by the grain person.

In case the values of commodities have risen due to exchange, it should be proved as follows: The exchange has taken place between 10 cloth and 10 grain - isn't it? Whichever commodity we may consider, its value must have become more than 10 after the exchange. Let us suppose that the value of the cloth as well as the value of the grain has risen to 11. How should that fact be known? It won't be known if those 2 commodities are exchanged again. Therefore, we have to exchange those commodities

with other commodities now. If we now exchange cloth with sugar, can the sugar of 11 value be secured in return to that cloth? Similarly, if we exchange that grain too with sugar, can the sugar of 11 value be secured in return to that grain? Only if it thus happens, the argument — that 'the values of the commodities rise while exchanges take place' -- is proved. Not only that but also the value of the commodity should rise further due to the second exchange. Which means that, if that cloth, grain and sugar were exchanged with other commodities again, their values must have risen this time more than 11. Thus, the value of a commodity should go on increasing if we go on exchanging it with other commodities. But things won't happen in this manner.

The value of the cloth remains as 10 only even if cloth of 10 value is exchanged again and again with other commodities. In no exchange would a commodity with a value higher than 10 come in return for the cloth. Which means that the value of a commodity does not increase due to exchange and no new value is added in an exchange. Therefore, more value (profit) than the capital invested does not come due to the 'sale'. That 'profit' would have been added to the commodity at the time of its production itself. Value thus added will be realised during the 'sale' stage. But, it is very disagreeable to the capitalist to understand these things in this manner. Because, if he agrees with this, he has to give up the argument that "profit is derived by adding to the capital; it is derived from the sale". That is why he does not like to examine anything logically.

(10) Primary profit and secondary profit:

Here, while we are considering 'profit', we have to properly understand the difference between primary and secondary profit.

Let us take 'the cloth and the grain'. The cloth capitalist got the cloth produced through his labourers and the grain capitalist got the grain produced through his labourers.

Capital on cloth is100. Profit 20. Cloth value 120.

Capital on grain is100. Profit 20. Grain Value 120.

Exchange took place between this cloth and this grain.

It is an exchange of the 'equal values'.

If we see from the side of the cloth capitalist, this fellow got the cloth produced with the expenditure of 100 capital. But, he got grain of 120 value when it was sold. That is, he got back 100 capital plus 20 more profit.

Similarly, if we see from the side of the grain capitalist, this fellow also got produced the grain with the expenditure of 100 capital. But, when he sold it, he got cloth of 120 value. That is, he got back 100 capital plus 20 profit.

Was the profit of the cloth capitalist derived from the purchaser of the cloth? No. Was the profit of the grain capitalist derived from the purchasers of the grain? - NO.

Each one derived the profit from his own commodity.

The profit, which the cloth capitalist got was, derived from the value of the cloth itself; that is from the labourers who produced the cloth.

Similarly, the profit, which the grain capitalist got, was derived from the value of the grain; that is from the labourers who produced the grain.

If we see the cloth and the grain together, what is the total capital spent on those commodities? What is the total value produced by that capital? What is the total profit in it? Total capital is 100 + 100 = 200. The total value produced by it is 120 + 120 = 240. The total profit in it is 20 + 20 = 40.

The total profit, which both capitalists receive, would be only 40. It is not possible to get more profit than that. It is because those commodities do not contain profit more than 40. Therefore, these two capitalists should be able to grab this 40 profit only. If no fraud is committed and equal exchange takes place between the commodities, what would be the situation relating to profits? Or what would be the situation relating to profits if some fraud is committed? - Let us see these questions now.

Cloth capital is 100. Profit 20. Cloth value 120.

Grain Capital is 100. Profit 20. Grain value 120.

If the exchange of 'equal value' takes place between these 2 commodities both the capitalists get their respective profits. Over and above that, they get 20 value each. The profit secured by each is their respective profit only. Here, none will have the 'secondary' profit.

But, let us suppose that this exchange did not take place as an exchange of equal values. Let us suppose that the cloth person committed some fraud. It is like this: Suppose that the cloth person took grain of 120 value from the grain person but gave only the cloth of 118 value in lieu of

grain of 120 value by committing fraud in the measurement and retained cloth of 2 value for himself. What does it amount to?

If we see from the side of the cloth fellow: this fellow has received grain of 120 value. But, the capital that he spent is only 100. Receiving 120 in lieu of 100 capital means receiving 20 profit in that manner. This is the 'primary' profit that the cloth fellow got. Not only that, this fellow took 120 from the grain fellow, gave only 118 to him and kept for himself the cloth having value of 3. The cloth fellow got 2 profit due to this fraud. This is the profit snatched away from the other person by committing fraud in the 'sale'. This is the 'secondary profit'. Total profit which the cloth fellow got is: primary profit 20 + secondary profit 2 = 22.

If we see the grain fellow: grain of 120 value left him and cloth of 118 value is received in lieu of it. That is, he incurred a loss of 2. 2 loss from what? From the capital? No. The entire capital (100 capital) came back. If the entire capital does not come back, it is not at all possible to get the new commodity produced again. Therefore, the entire capital should come back. It should not decrease. 2 out of the '20 profit' decreased and he received only 18. Which means, he did not get the primary profit fully. Then there won't be secondary profit, anyway.

The 2 profit lost by the grain fellow is secured by the cloth person as the secondary profit. That which is not secured at one place is secured at another place.

Now, if the profits of the two are added:

Primary profit to the cloth person is 20 + Secondary profit is 2=22.

Primary profit to the grain person is 18, secondary profit is 'NIL'

Total profit is:40.

Secondary profit is 2 out of the total '40 profit'. That is 'secondary profit' is also a part of the total profit. The totality of primary and secondary profits is the total profit.

In this example, if the cloth-fellow were able to commit fraud to the extent of 4 instead of 2, his secondary profit would be 4. The primary profit of the grain fellow gets reduced further and become 16 only. But, even then the totality of the profits secured by both the fellows would be 40.

Let us see the example of fraud in another way. Suppose that both the fellows deceived each other to the same extent. What will happen then?

The cloth fellow gave only 118 cloth instead of 120 cloth to the grain fellow and retained 2 cloth.

The grain fellow too gave 118 grain instead of 120 grain to the cloth fellow and retained 2 grain.

If we see from the side of the cloth fellow: A value of 118 left this fellow and in return he received a value of 118. If we deduct 100 from that, the principal profit is 18. Moreover, the secondary profit retained through fraud is 2. Total labour is 20.

If we see from the side of the grain fellow: A value of 118 left this fellow and he received a value of 118. Out of it, 100 is capital and principal profit is 18. Moreover secondary profit retained through fraud is 2. Total profit is 20.

Profit of both the fellows is 40.

What happened if both the fellows deceived each other to the same extent? Both their profits became equal. That is, none of the fellows has more profit than the other. The Secondary profit of both the fellows has disappeared.

In these two examples, each one got his respective capital of 100. One has not snatched the profit of another. The capitalists try to snatch as much as possible from the profit itself. For that, they exhibit different kinds of market knack. The knacks of both collide one another. If the forces of both are equal, the result of it is the exchange of 'equal values'. If one's force weakens and the force of another strengthens, its result is the exchange of 'unequal values'. Then, the profit of one decreases somewhat and the profit of another increases somewhat.

Primary profit means — the profit secured even while an exchange of 'equal value' is taking place between commodities. In the case of primary profit — one capitalist need not incur loss if another capitalist has to secure profit. Each capitalist is able to take his own profit without incurring loss.

But such a thing won't happen in the case of 'secondary profit'. The secondary profit of a capitalist will be that part which can be snatched

away before it goes to another capitalist. One fellow will be profited only when another fellow incurs loss. One's loss is another's profit.

It is not possible for the same capitalist to commit frauds and always earn secondary profits. If the cloth fellow cheats the grain fellow in one example, the grain fellow himself may cheat the cloth fellow in another exchange. Or, the yarn fellow may cheat the cloth fellow. Every capitalist stands as the 'seller' as well as the 'purchaser'. Therefore, the principle of fraud in sales applies not only to a single fellow but also to all. If one fellow secures the 'secondary profit' once, another fellow secures it another time. Therefore, the question of secondary profits is irrelevant. What we, in fact, have to see is the 'primary profit'. It is certainly derived even when the sale is made without any fraud. As the secondary profit is also a part of the total profit, the actual question is - what actually does 'profit' mean?

As the 'profit' is secured only when the commodity is 'sold' and as one capitalist gets it more and another capitalist gets less, the capitalist economists, by seeing these superficial things, assume that 'profit' is derived from the sale (from the 'circulation stage').

But, the birthplace of 'profit' is not the circulation stage of the commodities; it is the production stage itself.

In the 'production stage' the labourers ought to produce more value than the value of their 'wages'. That excess will be the profit.

In the 'production stage', it won't happen that some times profit and sometimes loss are produced. Because in the case of every capitalist, the value in excess of the capital invested adds to the commodity. Thus, only profit is produced in the case of every capitalist. However, the question whether they are able to receive properly the profit from their respective commodities depends on several conditions in the 'circulation stage'. There also exist conditions wherein profit of someone's commodity will go in large quantities to someone else due to reasons other than fraud. (We will see these things at another place in detail).

When the capitalist is earning profit by selling the 'commodity', it appears as his right. But, it is the 'labour of the labourer'! The capitalist pays only for some part of the labour rendered by the labourers and does not pay for some part. In that way, the capitalist snatches unjustly some part of the labour of the labourers. Therefore, it is 'exploitation of labour' (exploiting the labour).

The real reason for profit is - exploitation of labour only.

The profit of a given day is derived from the commodity of the same day.

The labourers cannot take the entire result of their labour. They lose some part of their labour and are subjected to exploitation daily.

'Exploitation of labour' is not a superficial affair like 'theft'. One person snatches away from another his belongings or money in theft. As the belongings or money are quite visible to our eyes, it becomes clear that one person snatched another person's belongings. It is easy to think of theft as a very bad thing. But, snatching away of 'labour' is not thus visible. It is not possible for the labourers to understand, as they understand in the case of the usual theft, exact what the capitalist is stealing from them. In order to understand exploitation of labour, looking at things superficially will not be adequate.

If an ordinary theft occurs in a worker's family it ceases in a day. It will not take place every day. But exploitation of labour does not cease in a day or two. It will be there with labourers all through the life. It steals the entire life of labourers.

In order for 'capital' to carry on exploitation of labour 'effectively' and to hand over the 'profit' to the capitalist, it is necessary that means of labour and labourers should be available to it as and when necessary. Later the commodity that has been produced has to be continuously sold without any problem. That is, the process of production and the process of circulation should go on uninterruptedly. Then, capital can rob the labourers most skilfully. This is the whole 'secret of profit'. **Exploitation of labour itself is the secret of profit. This is not the secret of profit of just one capitalist but the secret of the profit of all the capitalists!**

This is the secret not only of the profits of capitalists but also the secret of the wealth and riches of feudal lords and slave-owners in the past history. (We will see these things also later.)

While the persons doing 'labour' are — 'labourers',
the persons who do 'exploitation' are — 'exploiters'.

While the..... 'labourers' are — 'servants',
..... 'exploiters' are — 'masters'!

'Labourers' mean, not only those who are producing the 'commodities' for the capitalist and are being subjected to exploitation

now, but also slaves and tenant farmers who did labour for the slave-masters and the feudal lords respectively and were subjected to exploitation in the past.

Similarly, exploiters mean, not only the capitalists of the present day but also the slave-masters and the feudal lords of the past.

All that happened for hundreds and thousands of generations between the slaves and the slave-masters and the tenant farmers and the feudal lords was nothing but exploitation of labour.

The reason for the poverty on one side and for the wealth on another side in 'society' is 'exploitation' of labour only.

It is exploitation of labour alone that causes the poverty and riches.

It is exploitation of labour alone that causes joys and sorrows.

It is exploitation alone that creates 'lordship' and 'servitude'.

Exploitation of labour is not of today or yesterday. This is the truth that began in the history thousands and thousands of years ago. Since then it has been continuing as a daily occurrence on the earth everywhere and every day.

2) Independent producers

We have to introduce to ourselves the independent producers also on this occasion when we started seeing capitalists and the labourers working at the capitalists.

Independent producers (either women or men) do labour on their own. But, they do not work for any capitalist like the labourers. Further, they do not hire other labourers.

Independent producers mean the producers who do not have 'master' over them and who are not 'masters' over others.

In a society composed of two principal parts, namely, capitalists and labourers, there also exist peasant families living on their own labour labouring on their own small plots of land and the families living on the handicrafts with their own tools of labour.

Let us see what the difference is between the condition of the labourers working for the capitalist and the condition of the independent producers.

Let us consider the weaving labour. Let us suppose that the 'productivity' in the case of work done for the cloth capitalist and in the case of the independent producers doing weaving work is the same. When the 'productivity' is similar, the expenditure required for the cloth in the case of the independent producers will also be the same as in the case of the capitalist.

Let us suppose that one weaver's family made 100 metres of cloth in 1 day, as in the case of a capitalist. 30 raw material, 50 means of labour and 40 living labour are spent for that. The value of this cloth will also be 120. If this is sold, the 80 expenditure spent on the means of labour comes back and still 40 more comes. This 40 is the 'value of labour' of the members of that family. That family can use all that for its own use. What does this mean? Here, there is no 'exploitation of labour'. Therefore, the members of that family got the entire value of labour done by them.

Let us suppose that these family members are working as labourers for a cloth capitalist and do labour of 40 value in 1 day. What will they get in lieu of that labour? They get only 20 value as wages. Another 20 value goes to the capitalist.

It means that labourers do not get back the whole of their labour when they work for one 'master'. The greater part of it goes to the 'master'.

The difference between being 'labourers' working for a capitalist and being 'independent producers' has to be understood properly.

From now on, we will see mainly the 'capitalist' and the 'labourers' and wherever needed we will also see the 'independent producers'.

3) Not 'profit', but 'surplus value'

We have been calling as 'profit' what the labourers engaged in the capitalist's 'process of production' produce in excess of the value of their 'wages'. Let us hereafter use the term 'surplus value' instead of 'profit' for the following 2 reasons:

(1) When we call it profit, it creates a wrong impression that it originates from all the aspects of 'capital'. But when we call it 'surplus value', it conveys the true meaning that it is derived only from the 'surplus' labour rendered by workers. The term 'profit' creates an impression that it is 'just' for 'capital' to get 'profit', while the term 'surplus value' exposes the truth that what the 'capital' does is nothing but 'exploitation of labour'. Therefore, we should employ the term 'surplus value' instead of 'profit'.

(2) The capitalist who gets the commodity produced will not singly pocket the surplus value. All of it won't go into his pocket. It gets distributed into various portions among some more bandits. Whatever remains at the end after that distribution will be the 'profit' of the capitalist who got the commodity produced. His 'profit' will always be smaller than the 'surplus value'.

In the cloth example, the surplus value is 20. Let us suppose that out of it, the profit received at the end by the capitalist is 8. That is, surplus value and the profit are not the same. Profit is the last part of the surplus value. The difference between 20 and 8 is the difference between the 'surplus value' and the 'profit'.

We have to first see the entire value that is lost by the labourers and not just one part of it (We have to see 20 and not 8). When we speak of 'profit', we are talking about 8 only. Therefore, we have to understand these 2 reasons and refer to the value given by the labourers in excess of their wages as 'surplus value' instead of as 'profit'.

4) Surplus value and surplus production

The value of 100-metre cloth is 120 rupees.

The reason for this 'value' is - raw materials 30. Other means of labour 50. Wages 20. Surplus value 20. All these elements together gave 120 value to this cloth.

If we see this commodity as money, it is 120 rupees.

If we see it as 'production', it is 100 metres of cloth.

Similarly, every element that gave 'value' to this commodity can be seen in terms of money and 'production' as well.

Value of 100 metres -- 120 rupees.

Value of 1 metre -- 1.20 paise.

On this basis, the production that each element gets can be calculated. Each element gets some metres of cloth.

	If seen as 'money':	If seen as 'production':
Raw material.....	Rs.30	25 ms.
Other means of labour.....	50	41 2/3 "
Wages.....	20	16 2/3 "
Surplus Value	20	16 2/3 "
Total :	120	100 "

Here, the issue of 'surplus value' alone is important to us. It is Rs.20 when seen as 'money'; and almost 17 metres when seen as cloth.

Whether we say that the capitalist gets 20 rupees as surplus value through the production and sale of 17 m. of cloth; or we say that he receives 17 m. of cloth as surplus production, the two expression mean the same.

If we don't understand properly the statement that 'surplus production is 17 metres of cloth', a question arises: 'the value of the 'means of labour' present in this 17 metres of cloth is not of the labourers, isn't it? How will that value become the value of the labourers?".

However, when the entire cloth is divided into some portions according to the values existing in the cloth, there would not be values of any other portions in the cloth that falls to the share of particular portion.

In the cloth that came to the portion of 'means of labour', no other values except that value exist. Similarly, it is the same case with other portions also. In the 17 metres of cloth that came to the portion of 'surplus value', no other values exist. The whole of it is the surplus value.

Had the capitalist given the wages to the labourers for all the labour they did, this 'surplus production' also would have gone to the labourers. But, it is only this that the capitalist snatches without giving to the labourers. Only from the surplus value so snatched (only from the surplus production), the portions go to the fellow who got the commodity produced and to some other as well.

Now let us see who would distribute the surplus value, which the labourers could not get.

5) Who distribute the 'surplus value' among themselves?

One who gets the 'commodity' produced by engaging the means of labour and the labourers (whatever commodity it may be) is the 'productive capitalist' or 'industrial capitalist'. The 'surplus value' adds to the commodity only when the commodity is produced. Therefore, the 'surplus value' is produced in the work place of the productive capitalist. However, that capitalist alone cannot take the whole of it. It will further be distributed among others also under such names as trade commission, interest, land rent and taxes. Whatever remains after this whole distribution will be the

'profit' of the productive capitalist. We see these aspects briefly now and will see the other details relating to them in the last volume.

After a commodity, bearing surplus value, is produced, it has to be sold. Whether the productive capitalist himself undertakes the job of selling it or entrusts it to someone else, the whole transaction constitutes 'a different stage'. It is the 'stage of circulation'. Then, the 'commercial capitalist', merchant capitalist or 'trading capitalist' enters the scene. If the productive capitalist himself undertakes the job of selling the commodity, he becomes a 'commercial capitalist' as far as the sale transaction is concerned. Let us, to make things simple, have some other person as commercial capitalist. It means that the productive capitalist hands over his commodity to the commercial capitalist for the purpose of sale. The commercial capitalist takes it and gets it sold in the market through his labourers.

The 'trade commission' comes on the scene along with the 'trader'. Now let us see what it is.

(1) 'Commercial commission' or 'Trade commission'

The trader first purchases the commodity from the commodity capitalist. He invests some 'capital' for it. Later, he takes the commodity from there by 'transport'. Later he keeps it in a 'store'. Later, it will be sold in a shop.

The trader has to invest some more capital to do all these things. He has to give wages to the labourers who do the job of 'selling'.

All the expenses incurred have to come back to the trader. Moreover, he has to get 'profit' also.

Among the expenses incurred by the trader, the expenses spent on purchasing the commodity are indispensable. Among the remaining expenses, expenses connected with 'store' and 'transport' too are indispensable. It is not possible to produce things and to use them if there is no store and no transport. Therefore, these expenses, which are naturally necessary, add to the 'commodity value' and that value increases further.

Every stage that increases the 'value' of a commodity is a 'stage in production' (stage producing the 'value'). Storing is a stage of production; transporting is a stage of production. In each of these stages some labourers work. Each stage has its own expenses: expenses of means of labour, expenses of wages and surplus value of labourers - all exist. All these

expenses taken together constitute the total expenditure related to that stage. It adds to the value of the commodity and that value increases further. We will see all these things in detail in the chapter on 'Costs of Circulation' in volume 2. To make our example simple, here, we are completely leaving aside the store and transport. Without considering these values that are to be added to the commodity, we will see the commodity only with 120 value (with that value which it has when it is made).

Now about the costs of sale: Cloth has to be sold after it is produced. That work involves such costs as: a shop for the sale, some articles in it, and wages for the labourers doing the sales work. But, all these expenses are 'unnatural' expenses. Because, it is possible to produce and use things without 'purchase and sale'. Exchange is not a 'natural need' of the things. Therefore, expenditure related to the 'exchange' is not a 'naturally' needed expenditure. Therefore, these expenses do not add to the 'commodity value'. They do not increase the commodity value. (We will see these things in detail in the chapters 'Productive labour-Unproductive labour', and 'Costs of Circulation' of volume 2 and in the chapter 'Merchant's Capital' of volume 3.)

Costs connected with sale do not enter into the costs of 'means of labour' or 'living labour' related to an article. The value of an article will not rise due to these costs. However, in a society where sales and purchases exist, certain costs will be indispensable to carry on those transactions. Then, how to take back those expenses? They have to be taken out from the article itself. That is, even if costs of sale do not enter into the value of that article, some part of its value (whatever be the value of that article) should be spent on sale transactions of that article.

The commodity capitalist gives the commodity to the trader to some lesser value for these costs. That decreased portion itself is the 'commercial commission' (commission given to the trader). Out of that commission, the trader spends on sales expenditure connected with that commodity and also takes some profit for himself. If all the expenses connected with the sales are also added to the commodity value, there is no necessity at all to give the commodity at a lesser value to the trader. That is, there is no necessity to give 'Commission' at all. But as the expenses connected with the sale won't add to the commodity, a portion from the commodity value has to be spent on those expenses. That is why offering 'trade commission' will be indispensable.

We have supposed that the value of cloth is 120 at the time when the trader purchases it from the cloth capitalist. Does the trader pay 120 to purchase that cloth? It need not be so.

The cloth capitalist would say to the trader thus: "Cloth is ready. I have done the job of getting it produced. You do the work of selling. I will give some part of the profit derived from it. Value of the cloth is 120. I will give it to for 115 only. But you sell this at 120 only. You will get 5. You incur the 'sales expenditure' from that 5. You also take profit". It means, the trade commission in this example is 5.

The trader has to first invest 115 capital to purchase the cloth. If the sales expenditure is supposed as 2, he has to invest that '2 capital' at the beginning itself. Later, while selling the cloth, he would sell it at 120, which is its actual value. Out of that 120, he would take back 115 that he invested to purchase it and also 2 invested for its sales expenditure. The excess of 3 would remain as 'profit' for the trader.

Thus, 'Commercial Commission' stands as something that gives the 'sales' expenditure and the 'profit' to the trader.

However, what is this 'commercial commission'? How could the cloth capitalist give this to the trader? When the cloth person gave the commodity of 120 value to the trader for 115, from which element did he deduct that 5? Did he deduct it from '100 capital'? - No. The entire capital has to come back completely without deducting an atom of it. If the entire capital does not come back, it would not be possible to get the new cloth produced again. Therefore, there is no question of losing 5 from the capital. Therefore, we have to see what is there in the 'cloth value' apart from capital. When '100 capital' from the 120 value of the cloth is kept aside untouched, what is the portion that is still remaining in the cloth value? What still remains is the '20 surplus value'. It would be possible to give 'trade commission' from out of this only. Trade Commission is 5 from this 20. Profit 3 to the trader is from this commission alone. That is, the trader received profit too from the 'surplus value' of the labourers produced the cloth. (Whatever doubts we may get while seeing these things, answers will be available in the subsequent parts. It is not possible to explain all things in the beginning itself. Let us keep doubts aside.)

All these 'internal' aspects concerning 'value' do not appear outwardly. It merely appears outwardly that the trader adds 5 on the commodity, which he purchased for 115, later sells it at 120 and earns 'profit'. When these superficial things alone are seen, there arises an

illusion (wrong notion) that 'profit' is derived from purchasing commodities cheap and adding something over and above it and from selling it 'dear'.

'Commercial' transactions provide the reason for the formation of the notion that 'profit' is derived from buying 'cheap' and selling 'dear'.

No research is required to be able to see a thing as it appears outside. But deep research is required to see what actually happens inside.

In fact, there is no such thing here as buying cheap or selling dear. The 'actual value' of a commodity is that at which the trader sells it in the market. The trader, in order to get profit, should take the commodity for less amount than its actual value even if it is sold at its actual value. To the amount at which he takes the commodity, the trader adds the amount that is less than the actual value and sells the commodity in the market at its actual value.

The trader who purchases the commodity only in order to sell it again is not its real purchaser. Which means, that the trader is not taking that commodity either for his own consumption or for employing it as means of labour in his 'work-place'. He would be its real purchaser if he takes it for any one of these two purposes. Such a person would have to pay the 'full value' for that commodity. But, the trader is not such a kind of buyer. In the transactions of the trader 'purchasing' the commodity from the capitalist and the capitalist 'selling' it to the trader, buying and selling are both falsities. These are neither real buying nor real selling. It is not yet a real market that exists between them. There would be an agreement too between them that the trader may return the commodity to the capitalist if it is not sold in the market. Even if no such agreement is there, the trader is not a real buyer to the capitalist and the capitalist is not a real seller to the trader. Both of them are one. Both of them are one real seller. Where? In the market. That is in relation to the real purchasers. In the entire stage from getting a commodity produced to selling it, one organises one phase and another organises another phase. Both of them together are bringing in a commodity for sale in the market. While bringing so, the trader should get from the capitalist every commodity for less than its actual value every time. That is a business agreement between the two. The capitalist must give up for the sake of the trader some share in the 'surplus value' of that commodity.

Therefore, it is not buying cheap if the trader takes a commodity of 120 value for only 115 and it is not selling dear if he sells it later for 120. These 'cheapness' and 'dearness' are not applicable to the 'trader'. While

the capitalist does the work of getting the commodity produced, the trader does the work of getting it sold. It amounts to two partners sharing the fruits of the work between themselves after completing a certain work. There might even be quarrels between them over the distribution of surplus value. While the trader expects a bigger 'commission' from the capitalist, the commodity owner tries to give less 'commission'. Thus, disputes exist between them.

Now, as the commercial commission too comes into our account, we have to understand the method of calculating the value of the cloth by adding this aspect also to it.

What did we see with regard to what factors the cloth capitalist adds while calculating the value of the cloth? We have seen that he adds 100 capital and 20 profit over and above it; isn't it? To that account, we have to now add '5 commercial commission' also and adjust the 'profit' portion accordingly.

The cloth capitalist knows at the beginning itself that after the cloth is made and while deciding its value, '5 commission' has to be given towards 'sales expenditure'. Therefore, he calculates that '5 commission' also as the expenditure connected with that cloth. In fact it is not the 'natural' expenditure connected with the making of the cloth. But the capitalist is not concerned with these 'naturalness' and 'unnaturalness'. As he is obliged to give the 'commercial commission', he considers it also as his own expenditure. He adds his profit only after calculating all these expenditures. That is, when the 'commercial commission' is also taken into consideration, the calculation of the cloth capitalist will be like this: 80 for the means of labour; 20 for the wages; 5 for the commercial commission. These 3 expenditures together are 105. The profit, which the cloth capitalist adds over and above it, is 15. Finally, the value of the cloth is 120.

A while ago when we calculated, we saw that the cloth capitalist has added 20 as profit. We did so to have an easier example. The account of his own profit keeps on changing as he goes on distributing the surplus value to others. In whatever manner his profit might change, the value of the cloth will be only 120. There won't be any change in it.

Commercial commission is 5 in the '20 surplus value' contained in the cloth; isn't it? Does the value of the cloth become 121 instead of 120, if the capitalist has to give 6 as trader's commission? No, it does not. The profit that falls to the share of the capitalist merely decreases as commercial

commission increases. It means that his share becomes 14 instead of 15.

But, the value of cloth does not increase than 120. Because, the 'surplus value' in the cloth is 20 only. While sharing it, if the portion of one increases, the portion of another decreases. Or, if one part decreases, another part increases. Its total is only 20 whichever way it is shared. Therefore, the commodity value does not increase though the 'commercial commission' increases.

Now, let us see the 'commercial commission' as 'money' and as 'production' also.

If we see it in terms of money, it is Rs.5.

In terms of cloth, a little bit more than 4 metres (as per some part of the 'surplus value' (or, from the 'surplus production') was spent on the 'sales' expenditure and some part for the 'trader'.

Will the trader take commission even when he buys commodities from the independent producer? The trader would take the commission even then. If the family members of an independent producers produce 100 metres cloth and entrust the sale of it to a trader, they have to give that cloth with '5 commission'. Or, if those family members themselves do that work, they would also incur '2 expenditure' for that work. However, the wages portion in that 2 (the wages portion given to the labourers doing that sales work) will remain with those family members. Moreover, that, the 3 remaining as the 'profit to the trader' also will remain with that family. But, if the sales activities have been entrusted to a trader, 'commission' has to be given.

Let us see one or two points concerning the 'commercial commission'.

Let us suppose that one ready-made garments capitalist always purchases cloth from the cloth capitalist. Let us suppose that there is no trader between the two. Let us suppose that the cloth person gave his commodity of 120 value to the ready-made garments fellow with 3 reduction; that is at 117. What does this mean? It means that the ready-made garments capitalist also got '3 profit' through that cloth. Because, the ready-made garments fellow uses that cloth as the raw material for the clothes which he gets produced — isn't it? While calculating the value of those garments, he calculates its value as 120, though he purchased that raw material for 117. That 120 value also comes back through the sales of the garments. 3 profit for the garments fellow

from it. How is this profit derived? He got it since he purchased the raw material for 117 only which should be purchased for 120. Which means, in this example, the ready-made garments fellow who purchased that cloth also could take '3 profit' from the '20 surplus value' of the labourers who produced that cloth.

If the capitalists could purchase the raw material and other means of labour required in the 'work-place' with some commission from the other capitalists, they will be able to snatch some portion of the surplus value contained in those commodities as long as they buy them.

However, we should not take into account the profit earned by the capitalists by purchasing the commodities at a reduction like this. Because, every capitalist acts as not only a 'purchaser' but as a 'seller' as well. The commission taken by a capitalist cancels the commission that he gives. Therefore, the question of the commission offered by the capitalists to each other and the question of the profit so earned is irrelevant. They amount to non-existence even if they exist.

When we speak of 'commercial commission', it applies only to the commission given by the 'commodity capitalist' to the 'trader'.

Again, if we consider a 'trader', he would get some profit definitely even if he does not commit fraud while selling that commodity. If he commits fraud, that profit increases further. In the cloth example, the profit that the trader gets is 3 in case he sells the cloth without committing fraud. This is the primary profit. If the trader commits fraud to the extent of the value of 1 rupee, that would be the secondary profit. This secondary profit comes to the trader from whoever purchases that commodity. Their loss is the secondary profit to the trader.

Commercial frauds came into existence along with 'trade'. These frauds are of various kinds. When the purchasers do not know properly about the 'commodity value', the trader tries to sell the commodity at a higher value than the 'actual value'. False measures, false weights, adulteration, etc. are part of these frauds. They resort to any one of the commercial tricks depending upon the occasion.

Earning secondary profit through tricks and frauds is not possible on every occasion. Even then, all these frauds too are very common things in the commercial world.

The effect of the frauds committed in sales will not be there on the

capitalists. It is because of our usual principle. The principle that every one among them acts as a seller as well as a purchaser. The fraud committed by a capitalist and the fraud committed on him will cancel each other. If there is some very good capitalist who does not commit fraud at any time while selling his commodity, that person will be deceived to some extent while purchasing the commodities of others. Profit decreases to some extent for such a person. But such a person does not exist.

It is labourers alone who will actually incur loss due to frauds in the trade. The labourers are subjected to exploitation while doing 'surplus labour' in the stage of producing a commodity for the capitalist. Moreover, after they come out from the work place and when they go out to purchase commodities with the 'wages' that they receive, they will be subjected to several frauds even then. They won't at all get products equal to the value of the wages. In this way, labourers incur loss during the stage of commodity production as well as 'commodity circulation'.

The fraud that takes place in the 'stage of production' is the basis for the frauds that are committed in the 'stage of circulation'. **The very situation in which 'some profit' is obtained due to the commodity will search for the ways that snatch the profit in more quantities. If there is no chance for the primary profit, there won't be 'secondary profit' at all.** If the exploitation of labour in the stage of production is the direct cause for primary profit, it is the indirect cause for the secondary profit. It is both impossible and unrealistic to stop commercial frauds without stopping the 'exploitation of labour'. It is totally meaningless to hope for non-fraudulent transactions in a commercial world that operates on 'profit'.

If the trader gets the sales work done by the labourers without doing it himself, he is a 'commercial capitalist'. If one does these things on his own, that person is an 'independent trader'. We will see the differences among the traders and among the 'commercial labourers' in detail in the chapter 'Merchant's Capital' (in volume 3).

While seeing till now the elements that share the '20-surplus value' in the cloth, we have seen the 'commercial commission' by now. That is 5. Surplus value that still remains is 15. Now, let us see another element that swallows the 'surplus value'.

(2) Interest :

That which snatches away another part of 'surplus value' is 'Interest'. The capitalist who gets a commodity produced needs some 'capital' for that activity (of getting the commodity produced), isn't it? Let us suppose that he borrows that 'capital' from some one else as 'credit'. He has to pay some 'interest' to the lender. Even when capital is his own and not brought as a loan, he would calculate the interest on his capital. Which means, the capital must secure interest whether it is borrowed from outside or not, regardless of whether the interest goes out or is retained by the capitalist who gets a commodity produced. It is enough if a certain amount of money is employed for getting a commodity produced. That money should get some money in the name of interest.

To make our example simple, let us suppose that the cloth capitalist brought '100 capital' on credit from outside. Let us suppose that he has to give '2 interest' while giving back that 100.

The person who gave credit is — a money capitalist.

The person who took credit is — a productive capitalist.

The cloth capitalist has to give principal 100 + Interest 3 = 103 to the money-capitalist while paying the credit by selling the cloth. If he wants credit again, he would take that 100 again. Or he keeps that 100 with him and gives interest every time. That is a different calculation.

The cloth capitalist, when he sells the cloth, takes back 100 capital from the 120 value of the cloth and pays back the 'principal' with it. This is an easily understandable thing. But, where does he bring and give 'interest' from? This is the question to be looked into here.

As the capital is brought on credit to produce the cloth, it appears outwardly as if the 'interest' to be paid on that capital also is an element required for the production of cloth. The cloth capitalist calculates the 'interest' also as another expenditure as he calculates 100 capital as expenditure for the cloth.

But, is interest necessary for producing cloth?

What actually does 'interest' mean? Interest means some 'money'. Money means 'labour'. Therefore, interest means some labour. It means, the person who is taking some money in the name of interest is taking some labour. Does he give his labour again in return for the cloth in lieu of taking that labour? Does the person taking interest perform any labour

in the work place where cloth is produced? Or does any object come to the work place and get spent for the sake of cloth? No such thing takes place. No factor comes into the production of the commodity in the name of interest.

'Means of labour' and 'living labour' alone are required for producing a thing. Any expense that is not related to these two factors cannot be considered as an expense for the sake of that commodity.

Yarn, loom, hammer, knife and human being are necessary to produce cloth. If yarn is spent on cloth, the expense of the yarn gets added to cloth. If a loom is used, the expense of the loom also gets added to cloth. If something is spent on the sustenance of human being, that expense too gets added to the cloth. Like these expenses, is 'interest' also necessary for the production of cloth? Not at all necessary. Interest would not add any value through itself to the cloth as the yarn, loom, and labour have added some value of the cloth. Which means, expense of interest does not include itself either in the portion of means of labour or the portion of living labour.

The production of cloth stops if there is no yarn. The production of cloth stops also if there is no loom. Does the production of cloth stop if there is no interest? Let us suppose that the capitalist had secured an interest-free loan. Does the production of the commodity stop in the absence of interest on capital as it does when some required instrument is not available? This won't happen. The production of the commodity has nothing to do with 'interest'.

Interest is wholly an external aspect. That is why it is possible to produce and consume articles regardless of interest. The expense of 'interest' is an 'unnatural' expense.

No expenditure, which is 'unnatural', gets added to the value of the commodity. The value of a commodity does not increase due to that expenditure.

Therefore, it is totally false to assume that interest also constitutes an indispensable expense among the expenses that are spent on the production of an article.

But, interest appears to be an indispensable item in the view of all people in the society. It is a common notion held by all people that if some money is spent (that is if some means of labour are spent) on the production of an object, the interest also gets added to the value of that

object along with the actual expenditure spent on the production of that object.

The capitalist adds some expense under the head 'interest' also while adding all the expenses spent on producing a commodity. He adds it irrespective of whether that capital has been borrowed or not. Thus only after adding all the expenses, he would add certain amount as his profit.

It means that, as we have to include interest also in the capitalist's calculations now, we have to make a modification in our earlier calculation accordingly.

The calculation of the capitalist will be like this after interest is included: Expense on means of labour-80. Expense on wages-20. Commercial commission-5. Interest-3. Total expenditure = 80+20+5+3=108. The capitalist adds 12 as his profit over these expenses. Then, the value of the cloth becomes 120. It gets sold in the market at 120 and money comes into his hand. It is immaterial here whether the capitalist sold it himself or done the trader sell it. Whoever gets the commodity sold, calculations concerning it will be identical.

Let us suppose that the capitalist paid the interest after selling the cloth.

Where has the '3 value' been derived in order to pay interest? It has been derived only from the 120 value of the cloth. In fact, no value has been added to cloth through interest, isn't it? Then how did it get added to cloth? It has not been added to the cloth by way of interest. The capitalist took it away from something that he got from some other factor and paid it as interest. But, then from which factor has it been added to the cloth?

The capital is 100 in the '120 value' of the cloth; surplus value is 20; isn't it? Does the capitalist take out 3 value for interest from '100 capital'? No. That capital pertains to the value of 80 means of labour and 20 wages. That value has to be utilised only for those factors and it is not possible to use them for other factors. Then what remains is the '20 surplus value'. It is the value added to the commodity without the expenditure of wages. To spend on any factor that does not add to the commodity, it is to be taken from this portion only. It means that the capitalist takes out 3 from the surplus value contained in the commodity and pays for the interest!

That is, interest is nothing but a part of the 'surplus value'.

But, it won't appear outwardly. Moreover, if we observe this situation superficially it creates such a wrong notion as: "If it is possible to take out interest from the value of a commodity itself, it means that the expense of interest enters into the value of the commodity! Which means, that expense is necessary for the production of the commodity!"

The capitalist would argue thus in defence of 'interest': "To the extent means of labour are necessary for the production of commodities, interest is also necessary to the same extent. I invest 80 on means of labour in the example of cloth and will take back that 80 after selling the commodity. Similarly, I invest 3 on interest. I will take back that also. Thus, both means of labour and interest are necessary".

To this argumentation, we offer our reply as follows: "Okay! You spend 80 on means of labour. Due to that expenditure, yarn, loom, basket, etc. come to the work place. Labourers work with those means. By the time cloth is produced, all those means of labour get exhausted. After selling the cloth, you will take back the value of means of labour. It is all right. But you say that you spent 3 on interest; isn't it? What objects will come to the work place due to that expenditure? On what did you spend interest?"

What will be the reply of the capitalist? For what object that the capitalist would claim to have spent the interest? He cannot mention any object. But, the capitalist tries to present 'interest' as a factor equivalent to the means of labour. To understand this false notion, we have to grasp the distinction between 'means of labour' and 'interest'.

Let us suppose that the 80 means of labour is the capital of the capitalist himself. (We will leave out the question of wages in order to make our example simple). Cloth is produced with the expenditure of means of labour. That 80 will return again when cloth is sold. What will the capitalist do with that returned money of 80? Will he use it for the subsistence of his family? It is not possible to do like that. With those means, new 'process of production' will continue. Instead of doing so, if the capitalist uses away the value of the means of labour for his own subsistence, it means that he ate away the 'capital' itself. If he eats away 'capital' there won't be new means of labour and no new process of production. Therefore, when the value of means of labour returns from a process of production, it is not possible to use even a single paise for self-subsistence. New means of labour will be coming in every time due

to that value. That is, means of labour will be coming again in lieu of means of labour.

What will happen if the value of the means of labour is not the own capital of the cloth capitalist (if it is a borrowed one)? Even then, the same thing that we have seen earlier will happen. Let us suppose that the cloth capitalist has returned the 80 of the means of labour to the lender after selling the cloth. (Along with it, he would also give 'interest'; that is a different issue). How to carry on the new process of production again after the cloth capitalist gave away the value of means of labour? The cloth fellow has to borrow that value afresh again. The new process of production will be carried on only if new means of labour are bought with that value. There won't be new process of production if there are no new means of labour. This aspect of the matter will not change depending upon whether or not the value of means of labour belongs to the cloth fellow.

If we see the matter from the point of view of the lender of that capital, the capital, when lent, would return along with the interest. The lender pockets that interest and lends away capital again. If he does not lend new credit and eats away the capital, there won't be any way to earn interest through capital. A fellow who possesses 'capital', in order to earn interest always, must always lay that capital with the commodity-producing capitalist alone. That capital keeps on returning back every time and will be expended as new capital. Therefore, whoever be the owner of 'capital', it is not possible to use that value for the subsistence of one's own family.

But the same is not the case with 'interest'. Though it is not possible to spend capital on one's own subsistence, it is possible to spend 'interest' for one's own subsistence. Because 'interest' does not constitute a means of labour. 'Interest' is not a factor of the 'process of production'. That is, interest is not part of 'capital'. That is why whatever is not possible in the case of 'capital' is possible in the case of interest.

Now, we can easily speak of the distinction between means of labour and interest. If some value (some money) is spent on means of labour once, that value thenceforth will never get exhausted. The same value is received again and again. In the cloth example, if we get means of labour of 80 value once into the process of production, the same value is handed over from one process of production to another process of production. It

is not necessary to spend new value on new means of labour in a new process of production.

But, this is not the case with interest. It is new value each time. In the cloth example, if we once pay 3 towards interest, the same value will not return nor we will pay new interest once again with the same value. Interest will be spent time after time for self-subsistence. New commodity is produced again and new value contained in it (a part of surplus value) will go as new interest. The same thing happens each time.

But the capitalist does not concern himself with any of these issues. He assumes that interest is as much a natural necessity as means of labour is.

He would not logically argue with himself over such questions as whether or not expenditure of interest gets added to the commodity; how interest is derived from the commodity. He knows that there has been a convention in the world since the remote past to calculate interest indispensably if some money is spent on something. He, therefore, adds interest and fixes the value of the commodity.

Strangely, the commodity gets sold at that value only (only at that value in which interest too is included). When the capitalist sees this, he would not have any doubt.

Labourers too, like capitalist, will not have any doubts about the interest. Labourers, whose surplus labour leaves by way of interest, also hold wrong notion about interest by considering it as a 'natural necessity'.

But a capitalist who earns 'interest' through a commodity receives money without giving any labour or any object for the production of that commodity.

With that money, he would get the possession of any commodity in the world of commodities. He would consume it as though he got back something that ought to have come to him and as though he is enjoying the fruits of his own labour.

In the example of cloth, 'interest' is Rs.3 if we see it as 'money'. If we see it as a product, it is more than two and half metres. It means that the money capitalist who did not perform any labour whatsoever in the production of the 100 metres of cloth got that cloth freely. Which means, the whole secret of interest lies in snatching away the labour of others without giving one's own labour.

(This secret is concerned not simply with interest only. This secret applies to all those portions in which surplus value is distributed.)

We have seen that interest is not its earners own labour. Moreover, if the payer of the interest is some capitalist, then it is not that payer's own labour. If the cloth capitalist borrows 100 capital and pays '3 interest', that '3 money' will not be the labour of either the payer or the receiver. It will be the labour of labourers who produced the cloth. But those labourers do not know this fact.

Interest on even one's own capital:

Let us suppose that the capitalist who gets cloth produced has his own money. Suppose that he need not go to anyone else for credit. He could ignore 'interest' on his 'capital' since it is his own capital, isn't it? Anyway, he would get 'profit' at the end, isn't it? Why should he calculate interest on his own capital? But, he puts forward a very 'great' argument. He says: "Do I get interest or not, if I lend my money to another person? Should I get interest or not for my capital even if I use my money as capital? I should get interest irrespective of getting profit! Profit is one thing and interest is another". In his theoretical science, he has all sorts of ways and all sorts of arguments, in order to snatch away others' labour. His economists will be fascinated by his arguments. Of all the arguments, they see the most surpassing beauty in this argument about interest. They do their best to promote it by different names such as 'simple interest' and 'compound interest'.

Following his theory of interest, the capitalist who possesses his own capital lends his own money to himself and again collects it back from himself as if a creditor is collecting interest from a debtor. The capitalist is such a person that, apart from the fact that he does not lend his money to others without charging interest, he does not lend even to himself any money without interest! It is surprising to see a person charging interest even from friends and relatives. Then what to say of a person who charges interest from his own self! In a sense, he is right in his own way! When there exists the practice of charging interest for money, anyone who owns that money could charge interest on his money; isn't it?

Let us assume that 'interest' is 3 and 'profit' is 12 in the case of the cloth capitalist who does not have his own capital. If he possesses his own capital, then what he gets would be 15. As there is no menace of 'interest', that 3 also gets mingled up with profit and the whole thing is

pocketed by the cloth fellow. But, the cloth fellow does not treat it as "profit 15". He would definitely divide it as 'interest 3' and 'profit 12'. Because his worry is that, if he does not treat interest as a separate item, it amounts to using his capital without interest. He feels that it would be theoretically very wrong if there is no separate mass under the name of 'interest'. That gentleman would like to be very 'straightforward' and 'rational' theoretically. Therefore, he takes out 3 out of that 15, keeps it in another pocket, looks at it disinterestedly and writes serenely thus: "Interest on capital is 3". As if he incurred it as an expenditure! As if that amount has been spent on interest! As if that pocket of interest is somebody else's! He tells himself thus: Though 15 appeared as what is secured, the whole of it is not profit. Isn't it? Out of it 3 has been spent as interest. Isn't it?". When the capitalist considers 12, instead of 15, as profit, he thinks that he would content with the least profit and he does not have avarice to earn huge profits. He would feel pride at himself; he considers his 'self-deception' as 'good character'.

Whoever receives 'interest', whether the 'productive capitalist' takes it or gives it to someone else, he would become a 'money capitalist'. If the productive capitalist earns '3 interest' and '12 profit' through his capital, he would be a 'money capitalist' so far as 3 is considered and a 'productive capitalist' so far as 12 is concerned.

We should call the fellow who earns 'interest' through 'capital' as 'capitalist possessing interest bearing money'. But, we reduce it and call him simply a 'money capitalist' or 'money-lending capitalist'.

To make sure whether we have understood these aspects of interest, let us see a couple of examples.

Let us assume that the cloth capitalist is making use of his own capital but he does not calculate interest on it. Then, what would be the value of the cloth? Would it be 117 instead of 120? No. In that 120, 80 value is that of the means of labour and 40 value is that of living labour. These two factors have produced the cloth. Therefore, there is no connection between the value of the cloth and calculations of interest irrespective of whether the capitalist calculated the interest or not and whether he paid the intest to others or not. As no portion of interest entered into that 120, no part of that value gets reduced even in the absence of interest. There would not be any changes in the value of the cloth corresponding to the changes relating to interest. If the capitalist had borrowed the intest from outside, a part of the value of the cloth would

go to the outside person by way of interest. Otherwise, that part would remain with the capitalist himself.

Another example :

Let us assume that a friend had given a 'interest-free' loan to the capitalist. Then he need not spend on interest. Will the capitalist then fix the value of his cloth at 117 instead of at 120? He does not fix it so. All the other capitalists keep on selling that cloth for 120. That is, as there exists a situation in the market whereby cloth gets sold for 120, this capitalist too fixes the same value for his cloth. While fixing that value, he writes in his expenditure thus: "toward interest - 3".

Let us suppose that another friend gave away the yarn of 30 value freely to the capitalist. That 30 value of the yarn gets added to the commodity irrespective of whether that friend charges for that yarn or not; isn't it? Similarly, irrespective of whether the friend who lent the 'capital' on loan takes interest or not, the capitalist assumes that the value of 3 gets added to the value of the commodity. That is, in the view of the capitalist, interest is as natural as yarn is. He retains that interest with him as he need not pay to his friend.

So far, we have seen what is meant by interest. Well then, on what basis is the interest calculated? The productive capitalist pays some portion of the 'surplus value' as interest to the money capitalist, isn't it? What is the basis of that portion? Will that portion constitute half of the 'surplus value'? Will it be 1/3rd? How much will it be? Are there any conditions to distribute 'interest' from out of the 'surplus value'? We cannot see these things here. In the chapter on "Interest bearing capital", in the last volume, we will see the factors on which the interest rate depends. For the present, we have to understand that 'interest' constitutes a certain part of the 'surplus value'.

Let there be any number of conditions, all of them are concerned with the distribution of the 'surplus value' without doing any labour. Each fellow tries to grab as much as possible for himself. There will be quarrels between the productive capitalist and the money capitalist as there are quarrels between the productive capitalist and the commercial capitalist.

A money capitalist gives loan not only to productive capitalist but also to commercial capitalists. A commercial capitalist too has to borrow money and pay interest if he does not have his own capital. How does the

trader pay the interest? He pays that interest out of the commercial commission that he derives from the commodity for which that loan was borrowed.

Whether it is the interest that the productive capitalist pays or the interest that the commercial capitalist pays, these interests are parts of the 'surplus value' of the commodity which they sell. That is, the interests which they pay are not paid from their own labour.

If we consider the money capitalist: be it the interest received from the productive capitalist or the interest received from the commercial capitalist, it is part of the 'surplus value' of the labourers who produced the commodity which the capitalists sell.

Let us suppose that, in the cloth example, the interest which the productive capitalist pays is 3 and the interest which the commercial capitalist pays is 1. This total interest of 4 is part of '20 surplus value' of the labourers who produced the cloth.

Even the independent producers have to pay 'interest' if they borrow 'credit' for the production of their commodities. They will pay the interest out of their own labour.

How do labourers pay 'interest' if they borrow 'credit' from the money capitalist for the purpose of family needs? They pay from their 'wages'. That is, from their own labour. They surrender a part of their 'wages' to the money capitalists owing to a situation wherein they had to borrow 'credit' for their personal needs.

Let us suppose that there is a labourer who saves from his own wages, lends it to other labourers and earns interest. In such an example, what the creditor-labourer earns by way of 'interest' is nothing but only parts of the wages of other labourers. It means that whatever the creditor-labourer is earning by way of interest, he is earning it without himself doing labour. But, in the society at large, it is only the money capitalists and not the labourers who earn money by way of interest. Labourers who earn money by way of interest are very few in number.

Since interest is nothing but grabbing other's labour, nobody can have a real right to take interest. The fellow who has lent 100 money should take back that 100 only at the time of recovering that loan and he will not have the right to take more money than what he lent.

Let us suppose that there has been no change in the 'value of money' between the time of lending 100 and the time of repayment. If, at the time of lending, 100 money could fetch a bag of grain and if the same situation continues even by the time of repaying the loan, it means, the 'money value' has not at all changed. The creditor loses nothing if he receives the same amount of money that he lent if there has been no change in the 'value of money'.

In case the value of money decreases somewhat during that period, interest on the credit appears as if it is reasonable. But even then it is not reasonable. Because, owing to several haphazard situations that exist in the exploitative society, the value of money will, in fact, go on diminishing. (We will see these things in subsequent parts). There won't be the problem of frequent reduction in the value of money provided the quantity of money in circulation and other affairs concerning money are handled in a definite and in an appropriate manner.

Let us here consider exploitative society and its haphazard conditions concerning money circulation. It does not mean that even under such conditions interest will be in an adequate magnitude so as to compensate the reduction in the value of money. If, by that reason, the value received in the name of interest is very small, it cannot be considered as 'interest'. It is as if receiving back the same value of money that was originally lent. But, the purpose of interest is not to take back simply the value originally lent. The purpose of interest is recovering more value than the value originally lent.

If we imagine new conditions wherein there is no such thing called 'credit/loan' in the society at all, then the question of interest does not arise.

In societies where exploitation of labour goes on, interest will be there irrespective of whether 'credit' exists or not. We know that there would be interest even on one's 'own capital'. That is, credit is not an essential factor for earning interest. The basis for interest is that means of labour are under the control of the private individuals as their private property. (This is the basis not only for interest but also for other things). Therefore, if we imagine new social relations that can eliminate 'exploitation of labour', then, credit, interest (and such other aspects) will not find place.

At this stage, it is not possible to understand a society where there are interest-free loans among various branches of production and where

there are no credits at all. We will be able to understand all these things only after we examine several things in several parts.

Now, let us come back to the cloth-capitalist once again. Even the debtor cannot imagine an interest-free loan. In the case of the fellow who receives interest, it is altogether a different thing. For several generations, it has been a blind belief that interest on its own comes out of money.

Therefore, interest-free loan and credit-free society are not applicable to either capitalist relations or any other social relations that facilitate exploitation of surplus value from the labourers.

Here, once again, we will go back to our cloth example.

While seeing how the '20 surplus value' is distributed under various heads in the cloth example, we have so far seen '5 trade commission' and '3 interest'. Now let us see another item.

(3) Land-Rent (or Rent)

Another item in 'surplus value' is land-rent. The landlord who possesses the right of ownership over the land is the one who grabs it.

A 'work-place' is required to carry on the process of production. It is located on land itself.

The productive capitalist acquires some 'site' on land and sets up his work place there. There will be 'rent' for that 'place' whether it is his own or someone else's.

When a 'building' is taken on rent, the rent for the site on which the building stands is so included in the rent of that building. Let us suppose that the rent for a building is 6 per day. If the rent for the site, on which the building stands is to be considered separately, it is 2. If this rent for the site is separated, the rent for the building will be 4. We are now speaking not about this 4 but about the 2 rent which goes to the place.

There is nothing wrong, according to the theory of 'labour', if a building has a rent. As the building is something that is created by labour, its value, when it is used for a work, will have to be added to the value of commodity that is produced there. It means that there is nothing wrong in calculating in such a way that some value is added to the commodity's value through the building. But, the rent that is given to the land on which that building stands is a point to be discussed.

'Land' is part of nature. Human labour has not created it. No one has a natural right to occupy it as a private property. But that (occupation of the land as 'private property') had already taken place all over the world unnaturally thousands of years ago.

We cannot examine here why and how the property right in land began. The practice of occupying land as private property began long ago in society and it has been going on throughout the world. Due to this practice, a person can become the 'owner' of a part of 'land'. However little or however big that part may be. This system of 'property' in land facilitates two situations whereby a person can acquire thousands of acres of land and become its owner while another person will have no right even to set his foot on the land.

Humans who do not have any right to land too have to live on land itself. Humans cannot leave the land and live in the sky. There is a natural relation between land and human beings. Every human being might have a 'natural right' over the land. Every human being has a right to make use of land as his residence, to raise food crops for his 'sustenance' and to utilise land for similar natural needs. Not only human beings but also all living beings in nature do have and should have this right.

Human society had, however, lost such a natural right long ago. The system of property in land took away from humans their natural right to make use of land for their 'necessities'. What remains after the 'natural right' is lost will be only an 'unnatural right'. Thenceforth, humans acquired right over land not from a 'use-value' perspective but from a 'value' perspective.

Crops are raised on land. Several substances such as coal, metals, oil and minerals are found in mines inside the land. Fish are found in rivers, lakes and seas. Fruits, tubers, medicines, birds, animals and varieties of timber are found in forests. All these are vitally necessary to human life. But land, forest and sea do not bring their substances on their own and place in the hands of human beings. Humans should acquire them by means of their 'labour'. Humans should do work with the help of means of labour if they seek to raise food crops, to catch fish or to excavate mines and to gather forest produce.

Land too is a 'means of labour'. This means of labour is required for every type of work. No production process can take place without its role. But this means of labour is not like other kinds means of labour. All other kinds of means of labour are 'objects' produced by humans. But,

land is not such an object. It is a 'natural' means of labour that humans did not produce. It is an everlasting means of labour that cannot be consumed to the last. The land need not be remade as we have to remake the other means of labour as and when they get consumed.

Land co-operates with any labour that is performed on it. If it is ploughed and cultivated, the land will yield crops. If a house is built on it, it enables the house to stand. Land too becomes responsible for any labour anywhere in hills, waterfalls, rivers, seas, mines and forests. But, since the land has not been produced by labour unlike a loom, plough, yarn or a building, it won't add any labour through itself to an object. When we use the land, no labour from the land is added to the product in the same way as the labour of the loom is added to the product when loom is used. If a crop is raised on land, land is also responsible for it. But the land is not responsible for formation of the value of the crop. Land too is responsible for a house if it is built on the land. But it is not responsible for any part of the value of the house.

Which means, land too is responsible for the formation of use-value but it is not responsible for the formation of 'value'.

Land is such a means of labour that gives only use-value but not value.

Only such a 'means of labour' which is made of labour would give both 'use-value' and 'value'. But land does not do so. There is no role of the land in giving 'value'.

This means that land will not have the right to take a part of the production since it (the land) does not give any value through itself to the production. That is, though humans make use of the land, they need not give anything to the land by way of 'rent'.

It means, land-rent is an 'unnatural' category. It does not become part of the expenditure of either means of labour or living labour. Giving some value as 'land-rent' does not amount to giving back the value provided by land. It only means bringing the value of some other factor and giving it as land-rent. Land-rent is akin to commercial commission, profit and interest. To think that land should fetch rent is very much like thinking that capital should get profit and credit should get interest. These notions are wrong whether entertained by those who possess land or those who do not possess land.

Let us assume that our cloth capitalist does not possess land of his 'own' and is paying rent to the land serving as his 'work-place'. It takes one day to produce 100 metres of cloth and the land rent per day is 2. How does the capitalist pay this land rent? In exactly the same way as he paid the commercial commission and interest.

The capitalist treats the land-rent also as an expense for producing the cloth. He has to add all the expenses and over and above them add profit. Isn't it? He adds 'land-rent 2' also to those expenses. Then his account will be as follows: For means of labour-80, for wages-20, for commercial commission-5, Interest-3, land-rent-2. Total expenditure-110. He adds '10 as his profit' to this total. Then, the value of the commodity becomes 120. The commodity gets sold at that value and he gets back all the expenses.

If we see this, it appears as if the expense of land rent has entered into the value of the cloth and hence it was possible to take it back from the value of the cloth. Everything here resembles what is seen in the case of commercial commission and interest.

But what is the truth? There is no value at all in the value of the cloth that had been secured from land. 80 of the 120 value is that of the means of labour (means of labour other than land) while 20 value is that of wages and 20 value is that of unpaid labour.

From which part of the value of the cloth does the capitalist take out the 'land-rent' of 2? Not from the 80 of the means of labour. Not even from the 20 of wages. He can give it only from the surplus value of 20.

The land-rent in this example is Rs.2. If we see this in the form of 'cloth', it is little more than 1 metre of cloth.

What happens if the cloth capitalist has his own land to use as a 'work-place'? Will there be land rent or not? Even then, land rent will be there. Even then, the capitalist writes in his account thus: "For land rent-2". It means, that fellow would lease his land to himself. It means that the fellow cannot offer his own land to himself without rent. If you ask him, "why do you charge rent for your own land?, he has a wonderful, royal logic with him. He replies thus: "Does not my land fetch me rent if I give it to some one else for rent? Do I not pay rent from the value of the commodity to others if I take their land on rent? Why, then, should I not get rent for my own land?". The fellow is right from his own perspective.

When it is agreed that "land should have rent" should not an owner of land whoever it is, get his rent?

Suppose a person got 2 as land-rent; why did he get it? It is simply because he has the right over some land. Did the fellow, who received that rent, do any labour for the production of the commodity from which he has taken a part of it as rent? No. It is the labour of those labourers who produced that commodity.

The fellow who pockets the land-rent is the 'land-lord'. He is the 'lord' of the land. The 'owner' of the land. The one who builds a house on land and lives in it and makes use of the land for the house in that he lives - is not a 'landlord'. The one, with his own labour and for the sake of his sustenance, raises crops on the land and makes use of it for that purpose - is also not a landlord. The one, who for his natural needs and with his own labour makes use of whatever part of the land in whatever manner - is also not a landlord. The fellow who grabs the land and possesses the right to charge the rent alone is the landlord. This fellow, with his right over the land, grabs a part of the labour of others performed on the land, without rendering his labour for the production carried on the land of which he is the owner.

If the cloth capitalist has his own land, the land rent falls into his own pocket. Not in the pocket of 'profit', even in the pocket of 'interest' but in the pocket of 'land rent'! To the extent of that 'land rent-2', he stands as a landlord. But, he writes that rent as an expense in his account: as if he paid '2 toward land rent'.

There are no such distinctions as 'this area' or 'that area' to exercise the landlord's right over the land. The land given on rent might be one that may be used as a work-place for weaving cloth; it might be the land that yields crops; it might be land with mines; it might be the land with water-falls; it might be the land with hills, dales and forests; it might be the land with lakes suitable for fisheries; it might be the land where buildings could be constructed; no such distinctions as 'this land' or 'that land'. The landlord can give away for rent any area on the globe. The waterfalls are his! The rivers are his! Hills and dales are his! Plains and forests are his! The 'entire globe' is his! Even the planets are his, if there are people who take them on rent. The landlord can say "The moon is mine. Use it and send me rent". If one fellow gives the moon on rent, another fellow will give the sun on rent. Then they would become, not simply landlords, but moon-lords and sun-lords.

Land had been there ever since the period when human beings were not there on the earth. Land is part of nature. None is the owner of nature. The landlords do not know these facts.

If we ask the landlord, "Is not land part of nature? How then does such a land become your property?", he becomes very wild and says "Nature? What is nature? Land belongs to our dynasty. My grandfather owned it. What is nature?" It is not his 'nature' to understand 'nature'. The whole 'nature' for him is 'anti-nature'. No geologist and no astronomer have been able to explain how earth came into being. Isn't it? But, our 'lord of land' says that there is nothing difficult in it to explain. He says that his 'grandfather' 'created' the land. Any object becomes one's own only if that person produced it; isn't it? When his grandfather is said to have owned the earth, it merely means that the grandfather himself created it; isn't it? It means that the venerable grandfather had toiled and created the land and handed over it to this grandson of his. The grandson's contention is that only thus has the land become his own. This gentleman will be passing on that land and the right over it to his son and grandson. It appears to every landlord that his grandfather had created the land.

When the system of private property in land exists in a society, there also exist buying and selling of that property in the society.

Let us suppose that a person did not get land from his 'respected' grandfather but he purchased some land with some money. Can he say, "I have spent some money on this land and therefore I have the right to derive some rent from this land?"

There is no relationship between the land and such factors as: whether land was purchased or merely occupied, and whether the person who purchased land toiled to get the money or stole the money. A person might have paid his money to another and purchased land. He might have acquired that money by toiling. But, there won't be any change in the nature of land even if the land has been purchased with money and even if that money has been earned by toiling. It means that the land does not get transformed into an object that imparts some labour to the 'commodity'. The money spent on buying land has gone into the hands of a person who has nothing to do with the production activity conducted on it. That expenditure was not spent on that 'production activity'. Nor did any value get added to the commodity through land in lieu of that expenditure; no such thing happened.

When a person buys some yarn with some money and employs it in production activity, that yarn imparts its value to the commodity, isn't it? But, let us suppose that he brought that yarn by stealing; or he purchased the yarn by stealing money. In whatever way he may do it, that yarn will give its labour to the cloth.

But, even if he purchases the land with hard-earned money, that land won't give any labour to the commodity. Even that person who had purchased the land with his hard-earned money will not have a real right to take some share of the produce that is produced on the land. In order to acquire such a right, that person should have worked in that production activity. Or he should have given for that production activity any one means of labour produced by his labour. To say that "I have purchased the land with my money and therefore I should get land rent", without doing any of those two, amounts to a 'theory which exploits labour' but it cannot become a 'theory of labour'.

In the 'theory of labour' labour alone has a place and there is no place for ownership, inheritance, lordship, profit, interest and land rent. All of them are unreal, unnatural, ugly and illogical things in the 'world of labour'.

The surplus value in the cloth is 20; isn't it? Out of it, 5 as commercial commission, 5 as interest, 2 as land rent have been distributed so far. We shall now see another item.

(4) 'Taxes' paid to the government:

Here, we have to first understand briefly the terms 'society', 'administration', 'Government' and 'country'.

'Society' means 'masses of human beings' having 'relations of labour'.

'Administration' is an activity which is conducted by those who do not perform any labour but live by exploitation, and which involves suppression of labouring people so that they do not revolt. Which means, it is an activity defending exploitation (This meaning is enough for the present).

'Government' means an institution that organises the activity of defending the exploitation through its several departments (This meaning is enough for the present).

'Country' means a 'territory' under the control of a government. If 2 Governments are formed in a territory that was hitherto one country, then that territory gets divided into 2 countries. A territory that is under the rule of only one government constitutes one country.

When we speak of 'society' we are concerned with the 'relations of labour'; and when we speak of a 'country', we are concerned with a territory of a 'Government'.

The Government of a country carries on its administration with the aim to suppress the labouring population through several such apparatuses as police, military, courts, jails and other government departments.

All the departments relating to administration constitute the 'state'. The head of this state may be the king, the queen, the president or the Prime Minister. That supremacy may have any name.

The apparatuses of the Government are of various kinds.

Some apparatuses (such as assemblies and parliaments) are those which make the 'laws' favourable to the exploiters, some apparatuses (Government offices such as 'secretariat' and collectorate') are those which execute the laws; some apparatuses (such as courts) are those which impose punishments if labourers violate laws; some departments (police and intelligence departments) are those which function to oppress the labourers always — Thus, the government together with all these apparatuses administers.

We have seen that the labourers working for the cloth capitalist gave 20 surplus value.

Whatever happens in the case of one capitalist, happens throughout society. What is meant by administration in such a society? To see that 'exploitation' is continued. Labourers should go on working simply on 'wages' and should go on giving 'surplus value'. Productive, commercial and money capitalists and landlords should go on sharing that 'surplus value'. Land and capital should be the 'properties' of exploiters only. Administration necessary for such a society is nothing but to see that all these affairs go on uninterruptedly.

The government has only the ostentatious name that it 'administers', but in fact, what it does is to stand on the side of the 'exploiters'.

The exploiters cannot retain the properties (land and other means of production) under their control even for a single minute and cannot

continue their exploitation even for a single day without administration by means of legislature, the police, the courts and jails. Therefore, exploiters very much require administration that protects exploitation. Labourers do not at all require it. Moreover, it is opposed to the labourers.

The government, in order to conduct its administrative activities, requires many products. Besides, many kinds of labourers are necessary to carry on all those activities. The Government has to pay 'wages' to those labourers. The government has to draw all this expenditure from the mass of products produced in the country. The government collects this expenditure from the capitalists by way of 'taxes' (some sections of the labourers also pay such taxes as 'income tax').

These taxes exist under several such names as production tax, sales tax, income tax, excise duty, customs duty, etc. These names vary in different ways.

We are referring all types of taxes with a single name: 'taxes'.

From where does the capitalist secure money in order to pay taxes to the government? He takes out from the sale proceeds of the 'commodity' which he gets produced.

It is not simply the productive capitalist who has to pay taxes to the government. The commercial capitalist who sells the commodity, the money capitalist who lends the capital for the commodity and the landlord who gives the land on rent for the commodity — all these also have to pay taxes under some name or the other.

The productive capitalist pays the taxes from his 'commodity'.

The commercial capitalist pays the taxes from his commercial commission. That is from the same commodity from which the productive capitalist pays.

The money-capitalist pays the taxes from his 'interest'! That is from the same commodity from which he earns the interest.

The landlord pays the taxes from his 'land rent'. That is from the same commodity from which he earns the 'land rent'.

The same commodity is related to all these 4 persons. That is 100 metres of cloth. The taxes paid by these 4 are taken from the commodity only.

Let us suppose that the total of all these taxes is 1. To make our example simple, let us suppose that the cloth capitalist alone pays these 1 taxes. The capitalist adds this expenditure to the commodity value in the beginning itself. He calculates the taxes as expenditure incurred on the commodity exactly in the same manner as he calculates interest as expenditure incurred on the commodity.

However, the question here is: Is the expenditure of taxes necessary for the production of the commodity? Are those activities, which the government conducts by means of 'taxes', necessary for the production of the commodity? In the cloth example, does the expenditure of taxes fall under the portion of the means of labour required to produce the cloth or fall under the portion of things used by the labourers? Does that expenditure increase the cloth's value?

The expenditure of 'taxes' does not come under any portion relating to the 'cloth'. It does not fall under any item. Therefore, that expenditure does not increase the value of the cloth.

If an administration, for which those taxes are spent, is administered for the necessaries of life of the labourers, then it amounts that the labourers are also using the item of administration for themselves. But, the administration in the exploitative society is not meant for the labourers. The administration is not a necessary of life of the labourers. Therefore, the expenditure of this administration is not an expenditure incurred on labourers.

The administration carried on by means of such apparatuses as police, courts, jails and military is not a 'natural need' for the society. **The natural needs of the society consist merely in that all people collectively producing things and all people collectively using them.** The expenditures relating only to these 2 aspects are the natural expenditures of the society. Any expenditure incurred without having any relation to these natural needs is an unnatural expenditure only.

Expenditure connected with administration is also an unnatural expenditure like the expenditure connected with interest. But, the exploiters require administration as much as they require 'interest'.

But, the labourers do not require this administration. **All the needs of the exploiters are not the needs of the labourers.**

It is possible to understand the nature of the expenditure of taxes, only if we understand relations between the Government and the exploiters and between the government and the labourers.

We have seen that the cloth capitalist spends 1 expenditure on 'taxes', isn't it? The capitalist is not bothered as to 'which portion of the commodity that expenditure is derived from'. He simply knows how to total all his expenses and add his profit over those expenses and sell the commodity at that total. All the expenses spent by the capitalist will come back when the commodity is sold. Seeing this, the capitalist thinks that every expenditure incurred by him is necessary for the commodity and hence all those expenses have come back through the commodity. He thinks that the expenditure connected with taxes is as much necessary as the yarn is for the production of the cloth. He says, "If I do not add expenditure connected with taxes to my commodity, from where do I get money to pay the taxes?"

But the expenditure of taxes does not add its value to the commodity. Any such expenditure has to come out of the 'surplus value'.

The calculation of the capitalist again changes after taking into account the item of 'taxes' also. Now, it will be as follows: means of labour-80, wages-20, commercial commission-5, interest-3, land rent-2, Taxes-1, capitalist's profit-9. Total-120.

If cloth is sold for 120, all the expenses, which the capitalist spent, will return and he gets 9 as profit.

Let us see Income Tax, one among the taxes that a capitalist pays. He pays the income tax from his 'income' only. What is the 'income' of the capitalist? Nothing but profit. His profit is nothing but income. The capitalist treats profit as the result of his toil. He pays the income tax from the 'profit' and tells himself thus: "I paid the income-tax from what I earned from my toil". But, he snatched that income from the labourers. Therefore, whatever tax he pays out of that income, it will also be the labour of labourers only.

Not only the productive capitalist but also the commercial capitalist, money-lending capitalist and the landlord — whatever taxes that all these fellows pay, they are from their income only. Those taxes also are from the same source as that of those incomes.

All the taxes relating to a given commodity are from the 'surplus value' of that commodity.

The labourers too have to pay 'sales tax' while purchasing the commodities. Some sections of the labourers have to pay the 'income tax' also. **Whatever tax the labourers pay, all those taxes are from the 'wages' of those labourers.**

The wages that the labourers receive are very low when compared with their labour. While purchasing commodities with those 'wages', the quantity of commodities that they get will become less to some extent due to commercial frauds. In addition to that, paying 'sales tax' on every commodity implies that the products that could be used by the labourers also decrease compared to the value of the wages.

There is a difference between such taxes as sales tax and income tax, and the taxes like road tax and canal tax (water cess). Road and canal are means of labour made of labour. Those are natural needs. It means, all those using them are using some part of that labour. It is proper to pay some value in lieu of using them.

However, the capitalists use public places such as roads, canals and railway stations hundred thousand times more than the labourers do. The road tax, canal tax and the like naturally enter into the value of the commodity. When we speak of 'taxes', we have to keep in view those taxes that are paid for the 'unnatural need' called 'administration'.

All the taxes that the capitalists pay to the Government that carries on the 'administration' are part of the 'surplus value' of the labourers. Taxes, which the labourers pay, are part of the 'wages'.

It means, the taxes paid by the labourers too are nothing but labourers' labour and the taxes paid by the capitalist too are nothing but labourers' labour. That is, the support base for running the government is completely the labour of the labourers only.

Another point to be grasped along with the fact that "the capitalist pays the taxes" is that — "the capitalist also evades taxes". The capitalist does not properly show any accounts which he is expected to show to the government. He does not show correctly any accounts: whether the 'production' accounts, or the 'sales' accounts or the 'income' accounts. He shows 'false accounts'. He shows false accounts everywhere. That is, he evades the greater part of every tax. Not only the productive capitalist but also commercial capitalist, money-lending capitalist, landlord - all the fellows; every one of them shows false accounts only. There will not be even one exploiter among a hundred exploiters who shows all the

accounts correctly and pays taxes correctly. Everyone evades some part of the taxes. However, there will be some differences of 'more' or 'less' in such evasion. A fellow who evades 'less' is more sincere than the one who evades 'more'.

As every exploiter evades some part of the taxes, all those evaded taxes remain with him.

One should doubt as to how the government runs if so many are evading the taxes thus? The government 'efficiently' collects the taxes due from the labourers. In this way, the part which the labourers pay and the part which the capitalists pay together constitute the 'income' of the government.

Further, the government has another kind of income also. Like a productive capitalist, the government also gets some kinds of commodities produced and sells them. E.g., Supply of electricity, supply of water, running of trains etc.

The cloth capitalist purchases electricity required at his work place from the government and pays electricity bill for it. Paying bill means, paying the value of the commodity purchased. Similarly, he purchases 'water' from the government and pays the 'water bill'. Similarly, any bill.

Such bills that the cloth capitalist pays are included in the expenditure of means of labour required for the production of the cloth.

The labourers working in the government enterprises produce all the commodities sold by the government.

Let us call the capitalist a 'private capitalist'. The government too is akin to a private capitalist in all the matters. That is, the government too gets commodities produced. While fixing the values of commodities the government too adds commercial commission, interest, land-rent, taxes, etc. While selling the commodities, it would take back all those portions. Which means, the government too snatches surplus value of the labourers. That surplus value constitutes the income of the government. Therefore, the government is also a capitalist.

We have to further see with regard to the government bills.

It appears as if the bills and the taxes are the same. But, bills are different and taxes are different. The two are not the same.

That which is paid for the commodity sold by the government is: bill.

That which is paid for the 'administration' carried on by the government is - tax.

The expenditure of bills is a natural need for carrying on production in the case of a capitalist. The expenditure of taxes is not needed in this way.

Bills expenditure is part of the expenditure of means of labour.

The expenditure of 'taxes' is a part of the 'surplus value' of that commodity.

We have seen that the capitalist evades many taxes. Not only taxes but also evades bills.

This is how he evades: what does it mean if the capitalist has not paid the electricity bill while using electricity from the government? It means that he got his commodity made without paying the necessary money to be paid toward the means of labour to produce the commodity. All expenses come back when the commodity is sold. The expenditure that he did not incur on electricity also comes back to him. Even then he won't pay it to the government. He puts it in his pocket. Similarly water cess and similarly another bill. All such bills that he evade go into one pocket.

In the case of labourers, the government immediately stops the supplies to the labourers if they did not pay any bill or any tax. It auctions their houses and other such things and collects dues from them. To tell the truth, it is an intelligent thing on the part of the government to do so. It is because, how can it run if the capitalists do not pay the dues and if the labourers too do not pay the dues? The fellow, who does not pay, anyway will not pay. The government cannot keep quiet if the fellow who normally pays also does not pay; isn't it? Therefore, the government is justified in confiscating the small properties from the labourers who have not paid the taxes and bills.

But, this 'justice' gets reversed in the case of capitalists. The government has a lot of sympathy for the 'woe and weal' of capitalists! It knows of all those woes because it itself is a capitalist. The government looks at the capitalist who does not pay taxes and bills with fondness either as a maternal uncle or paternal uncle who looks at a naughty little

boy. It looks very fondly at those who evade huge amounts of taxes as if commenting, "don't the little ones make mischief" and says: "the capitalists not evade taxes? Even if they do, will they pay fully? If they want to pay, they have to pay a lot. How can they pay? It is a pity!"

An even stranger thing is that the government enterprises themselves evade paying taxes and bills to the government! That is, the heads of those enterprises swallow those accounts.

Let us once again see the private capitalists: No capitalist has the minimum common sense that his government might land itself in trouble imperilling its administration by the non-payment of dues to the government, even if he had individually gained by non-payment. It is enough for him if his pockets are full. His vision does not advance even an inch further from his pockets.

Now about yet another pocket of that fellow. Its account is extremely strange. If the earlier pocket becomes full with what he did not pay to the government, this pocket becomes full with the return of all that he had paid. It is like this: All his payments go first into the government treasury. Then the government grants, in the name of developing industries, interest-free loans, loans with the most nominal rate of interest, subsidies that need not be paid back, concessions that no taxes need be paid for some years (tax-holiday) and so on, in appreciation of the capitalists' 'service to the nation' by means of industries. He earns huge interests and immense profits with the loans that he secured from the government at the most minimum rate of interest. Thus, all that so acquired in that transaction falls into this pocket.

So far we have seen that the 'surplus value' has distributed itself into commercial profit, interest and land rent. We shall have to see some more things concerning surplus value. We can understand then properly only after we exmine 'Productive labour and unproductive labour' are seen. For the present, let us suppose that there are some more expenses that the capitalist meets out of the surplus value. For example, let us suppose that a capitalist gives 'bribes' to those government officials who co-operate with him in evading payment of taxes. Suppose, he gives bribes to officers, also for having granted 'government contracts' and orders to him to supply the commodity required by the government. Where would he get the money to give bribes? Only from the 'surplus value'. He feels a little shy to show such expenses as the expenses incurred on the

production of commodity. Can he write in his accounts 'for bribing-2' as he had written 'expense on interest-3'? He cannot.

In fact, there is no difference between bribe and interest. Both are derived without giving any labour. But, there is no right to take bribe openly as they take interest openly. Therefore, the capitalist cannot show the expenditure on bribe under that name. Hence, he calls these expenses 'incidental expenses' or 'miscellaneous expenses'. He adds some expenditure to the value of the commodity without giving details on paper. It also comes back from the value of the commodity itself. It means that it is needless to say specifically that all the expenses of bribes are also part of the 'surplus value'. Let us suppose that the value so added toward these expenses is 1.

Now, we shall see the fellow who takes the final share in 'surplus value'.

(5) Productive profit :

The capitalist who gets the commodity produced is the last of those who share the 'surplus value'. It is the 'productive profit' that remains after commercial commission, interest, rent and taxes are deducted from the surplus value contained in commodity. To say "it remains after all portions have been deducted" does not however mean to say that "Alas! He gets very little or at times he does not get anything at all". Each fellow will get his share. This fellow snatches 'surplus value' in such a way that all the fellows get their due share. He retains the balance after distributing whatever is due to others.

The calculation regarding the cloth value of the capitalist will be, at the end, as follows:

Means of labour - 80. Wages - 20. Commercial commission-5. Interest-3. Land-rent-2. Taxes-1. Incidental expenses-1. So far, total expenditure is 112. At the end, productive profit will be-8. Total cloth value-120.

However, now our question is concerning the productive profit. Is productive profit necessary for the production of the cloth? Has something called productive profit been spent on the production of cloth as yarn and loom have been spent? What is the reason due to which 'value of 8' has been added to the cloth in the name of 'profit'? The answer is already known. That value has not been added through the profit. The 'portion of 8' already existing in the value of the cloth will be distributed under that

name (productive profit). Exactly like the commercial commission, the interest and the land-rent.

If we ask the cloth capitalist 'why should you get a profit of 8?', he would be astonished as if "what kind of question is this?"

He would say thus, "You ask me why I should get profit? I have brought the 'capital' on credit, purchased the means of labour, engaged the workers, got the work done by them all through the day, sold the cloth to the trader — when I have done all these... you ask me why I should get 'profit'?"

"You received wages to do all these things? Why do you take profit too?"

"Wage is for my 'labour'! Profit is for my 'capital'!"

"Why didn't you say this in the beginning itself? Why did you first narrate the whole thing as if you should get profit for your 'toil' alone?"

"Well, anyway I am telling it now! Profit is not for me; it is for my 'capital'. Understand?"

"What will capital do with the profit? You will swallow the profit yourself. You will be spending it for yourself!"

"Yes, I will spend it myself. As 'Capital' belongs to me, profit too belongs to me" - Finally, this is the reply of the capitalist!

The capitalist will be astonished if we say thus -"When you invest 'capital', you will have the right to take back your capital and you will not have any right to receive profit, interest etc. If you receive them, it amounts to 'exploitation of labour' only".

Further, another fact that makes the capitalist astonished once again is that "capital in fact does not belong to the capitalist at all! It too belongs to the labourers!". "My capital!... My Capital!" - This is how he is claiming. We will see in the subsequent chapters the fact that the capital does not belong to the capitalist. Then, the secret of not only the profit of the capitalist, but also secret of the capital will also be exposed.

To whomsoever may the capital belong, none will have the right to pocket the 'profit' through 'capital'. As long as the labourers do not know all these things, the capitalist will be uttering unhesitatingly thus, "Capital is mine, profit is mine".

In the cloth example, the capitalist, alas! adds only '8 profit'. There is a limit to the profit that is added to the expenses. There is a limit to the profit because the expenses and the profit together should not exceed the value actually existing in the commodity. Both of them taken together should be equal to the actual value.

Finally, the cloth will be sold at 120 and a 'profit of 8' remains with the cloth capitalist. This is the profit that the fellow who got the commodity produced receives. That is why, this is 'productive profit'. Its short name is 'profit'.

What remains for the Commercial Capitalist is - Commercial Profit

What remains for the Productive Capitalist is - Productive Profit.

In this example, productive profit is Rs.8 if we see in terms of money and 6.5 metres if we see in terms of cloth.

There may be a situation wherein this 'productive profit of 8' could be shared into a few more portions. This is how it may be done. Let us suppose that this capitalist has a partner. That is two capitalists invested equal amounts of capital (one fellow 50, another fellow 50) and got this cloth produced. There won't be any alteration in the account seen so far, even though the capital is of the two partners. All things remain the same. They share equally the productive profit of 8 that remains at the end. All the partners of the initially invested capital—let there be any number of them—will share the 'profit'.

So far, we have seen briefly all the items into which surplus value is split under various heads. Now, it is easy to understand the distinction between surplus value and profit.

Surplus value is the totality of all the portions into which it splits. Or, when seen in detail, surplus value is the totality of the commercial commission, interest, land rent, taxes and productive profit. Profit only means the productive profit that remains finally.

In the example of cloth, profit is 8 while surplus value is 20. That is, the entire surplus value is not profit. Profit is simply a portion of it. Therefore, we should not treat both of them as items of the same size. However, to make our examples simpler, many a time we refer to the 'surplus value' as 'profit'. We say '20 profit' instead of '20 surplus value'. There won't be any problem even if we call the 'surplus value' the profit, provided we understand things depending on the context.

We should first know how surplus value is produced. How it is split under various heads is a point to be understood later. Whatever we have seen in this chapter about the production of 'surplus value' is not enough. We have to see many more things.

A point which we have to understand here again and again correctly is that if these productive, commercial and money-lending capitalists as well as landlords had done any labour in this example of 100 metres cloth, they would get the 'wage' separately for that labour. There is nothing wrong in taking remuneration for their labour. But, the portions that they are receiving under the heads of commercial commission, interest, land rent and profit do not belong to their labour. What they snatched under all these heads is merely the labour of the labourers.

If the 'productive profit', which the 'productive capitalist' receives, is the labour of the capitalist, it will not have the name of 'profit'. It too will have the name of 'wage' only.

If the 'commercial profit' which the 'commercial capitalist' receives is his own labour, it will not have the name of 'commercial profit'. It will have the name of 'wage' only.

If the 'interest' that the money-lending capitalist receives is due to his labour, it will not have the name of 'interest'. It will have the name of 'wage' only.

If the 'land rent' which the landlord receives is his own labour, it will not have the name of 'rent'. It will have the name of 'wage' only.

Therefore, all the items that all these fellows are snatching without any relation to their labour are entirely the labour of the labourers only.

In order to understand the 'exploitation of labour', we have to understand the 'commodity value' so clearly that we will not have any more doubts.

Now, if we again question ourselves about the 'commodity value' and offer a correct answer, then we can leave this topic and proceed further.

In the cloth example, the capitalist and we (the labourers) as well agree that this commodity has '120 value'. There is no dispute about it. Also, there is no dispute that '80 means of labour' and '20 wages' have been spent on it. The whole dispute is about the '20 value' over and above those expenses. The capitalist's understanding and our

understanding are mutually contradictory with regard to the question, "what is that 20?".

According to the capitalist, it is true that '80 means of labour' and '20 wages' have been spent on the cloth. Further, many more items have also been spent on the cloth.

According to us, many items that the capitalist is showing are false. There is no relation between such items as commercial commission, interest, land rent, taxes, incidental expenses and productive profit and the 'commodity value'. Those items do not render any labour to the commodity. All these items are external to the production of the cloth. In fact, the cloth acquired 120 value only due to the expenditure of '80 means of labour' and '40 living labour'. The capitalist evades 20 without paying 'wages' to the labourers for their 'entire labour' and distributes it to all these items. He will also take '8 profit' out of it. That's all. All these fellows are snatching away certain portions of that production under several heads without doing any 'labour' for that 'production'. Therefore the whole account given by the capitalist with regard to value is simply the account of 'plunderers'.

'Value' is not something that is visible to the eye. It is not possible to tell by seeing the cloth as to how the cloth acquires '120 value'. Therefore, we have to understand value by means of 'rational logic'. Rational thinking is more comprehensive than even seeing with eyes. There are no depths and heights that it cannot see. Understanding of the 'human society' entirely depends on proper understanding of such questions as 'what is value? How is value formed?'. If we understand that "some portion of the commodity value is the 'surplus value of the labourers", we will understand that society has been based on exploitation from time immemorial. Only when labourers understand 'exploitation', they will understand the fact that they have to protect themselves from exploitation and they have to eliminate exploitation.

If we do not know 'value', we cannot know 'surplus value' either. We cannot know that exploitation is going on. Then, the existence of land rent, interest and profit in the society appear even to the labourers as very natural and essential. Whatever the exploiters say about them appears to be the 'truth'.

That is, our theory and the theory of exploiters contradict each other in explaining 'value'.

While we say "profit, interest, land rent are the ways of exploitation", they say, "It is our right to take them".

Therefore, we have to first learn our theory very clearly. Only then, we will be able to grasp clearly what the mistakes are in their theory.

Now, we are again starting with the account which the capitalist has shown.

Let us suppose that the account which the capitalist has shown is as follows.

The value of 100 ms. of cloth:

	Rs.
1. Instruments of labour	80
2. Wages of labourers	20
3. Commercial Commission	5
4. Interest on Capital	3
5. Rent for the work-place	2
6. Taxes	1
7. Incidental expenses	1
Total of all the expenses that I incurred	112
8. The profit that I added to the value of the commodity	8
Total	120

The capital really spent on this commodity is 80 of means of labour + 20 of wages = 100 only. No other items can be included under 'capital'. The capitalist, however, treats the rent of the work place, incidental expenses etc. as capital. To be precise, the capitalist will not have a clear understanding of what is capital and what is not capital. His only understanding is to treat every expense as capital.

We have to clarify one thing to ourselves. In this example, capital is 100 and interest is 3; isn't it? Let us consider only 2 aspects. Does the capitalist also talk about these items individually like this? Or, would he combine 'interest' also with the capital and say "I invested a capital of 100"? The capitalist too talks about capital and interest separately. If the

capitalist does not talk of interest separately, he will have to face a problem. If he combines interest with capital and shows 103 as total capital, then arises a question "what about interest"? Moreover, he has to show 'interest' on that capital of 103. If he does not show like that, 'interest' will not find a place at all in the calculations of the capitalist. Therefore, the capitalist will definitely show capital and interest as separate items. That is, he won't combine 'interest' with 'capital'. Though he does not combine 'interest' with 'capital', the capitalist however considers the amount which he pays as 'interest' as an expense which he spends on the commodity. Thus, if the capitalist calculates all his expenses, it would amount to 112. He also adds his profit to it.

As both the expenses that are really necessary and that are not necessary for a commodity will return to the capitalist through the commodity, the distinction between what is a really necessary expense and what is not gets obliterated.

Can we say whether or not this cloth capitalist has his own capital, his own land and his own commercial establishment by looking at the details which the capitalist gives with regard to the value of the cloth? No, we can't say. He would write all his expenses like that whether all these are his own or not. We can't, therefore, say whether they are his own or not.

Now, we have to write his account from our viewpoint. He informed us about the amount at which he sold the commodity. He informed us how much he spent on the means of labour and on wages. If we have these 3 details we can find out the amount of surplus value. Our account concerning the cloth will be like this.

The value of 100 metres of cloth is 120.

	Rs.
1. For means of labour	80
2. For wages to labourers	20
Capital spent	100
The value of the sale of the commodity	120
Capital spent	100
Surplus value of the labourers....	20

Constituent parts of the Surplus Value:

	Rs.
1. Commercial Commission...	5
2. Interest on capital	3
3. Rent for the place of work	2
4. Taxes	1
5. Incidental expenses	1
6. Productive profit	8
Total surplus value	20

Let us present this in another way also.

Value of the commodity 120

Means of Labour 80 | Living Labour rendered by labourers 40

Wages 20 | Surplus value 20

1 2 3 4 5 6

1. Commercial Commission = Income of the Commercial Capitalist.
2. Interest on Capital = Income of the money-capitalist.
3. Rent for place of work = Income of the landlord.
4. Taxes = Income of the Government.
5. Incidental Expenses = For bribes etc.
6. Productive profit = Income of the Productive capitalist.

The source of all these incomes is the 'surplus labour' of the labourers who have worked in the work place of the productive capitalist.

6) Gross and net

Now let us see the words 'gross' and 'net' that the capitalist

frequently uses.

Capitalist refers the value of a commodity ready for sale as the 'gross value' and the profit remaining with him after deduction of the capital expenditure as the 'net value'.

In the cloth example:

According to the capitalist:		According to us:	
Gross value	– 120	Gross value	– 120
Capital spent	– 112	Capital spent	– 100
Net	– 8	Net	– 20

According to the capitalist, except his 8 profit, the remaining whole is 'capital'. That is why, it appears to him that he added only 8 to the 'capital'. But, according to us, the capital actually spent on the commodity is 100 only. The remaining whole is added to the capital. It is 20.

These words 'gross' and 'net' are of the capitalist but not of us. These words hide the actual details. That is why we have to refer each item with its actual name for which it has been spent, namely, expenditure of means of labour, expenditure of the wages, surplus-value and commodity value and so on; and not as 'gross' and 'net'.

7) Two Groups

If we examine the value of the cloth, we may see that the persons using that value constitute '2 groups'.

The value of the cloth consists of 3 portions. Means of labour 80; wages 20 and surplus value 20. Out of this, it is not possible for any one to pocket anything from the value of the 'means of labour'. The whole value (that whole production) should return intact. It has to be ready again for producing the 'new cloth'. Therefore, neither labourers nor the capitalist could take anything from this portion.

Two portions still remain in the 'commodity'. Wages and the surplus value. These 2 portions constitute value of living labour only. This is the value given which the labourers gave. Those who use the portion of 'wages' are labourers. All these constitute one group. It is another group that uses the 'surplus value'. The principal members of this group are the productive capitalist, the commercial capitalist, the money-lending capitalist and the landlord. The source of the incomes of all these is the

surplus value. It is produced in the context of arrangements made by the productive capitalist. Therefore, the leader of this group is the productive capitalist.

It means that whenever we speak of capitalist, we are referring the entire group that pockets the 'surplus value'. The landlord is also a part of it.

As it is not possible for any group to pocket a portion of the means of labour, one can pocket a portion of the living labour of the given commodity. That is, both the labourers as well as capitalists have to pocket the labour of the labourers. Therefore, the group of capitalists tries to snatch as much 'surplus value' as possible from the group of labourers. This is the first point.

As the surplus value so snatched has to be distributed among the members of the second group, each one in this group tries to snatch as much as possible as their share. This is the second point.

Hereafter, let us begin to use the word 'classes' instead of 'groups'.

If we assume this single place of work as 'society' at large, there will be 2 classes here. That which performs labour, loses some portion of that labour and lives on the portion of 'wages' is the — 'class of labourers'. That which does not labour and lives by snatching the 'surplus value' from the class of labourers is the — 'class of exploiters'. That is, the capitalist class here. The society in which capitalists and labourers are the principal classes is the 'capitalist society'. (We will see the earlier classes and earlier societies later).

The capitalist class daily exploits the class of labourers and unhesitatingly declares its theory thus: "land is ours, capital is ours and therefore, we have the right to pocket the land rent, profit and interest".

If the labourers also agree with that theory, they have to keep quiet by thinking thus: "yes, they have land, they have capital, they have the right to pocket the land rent, profit and interest". They have to work for the capitalists for wages as ever, give more labour than their wages and live in 'poverty' and 'servitude'. Everything as ever.

Or, if the labourers do not agree with the theory of the capitalists, they have to change the society according to their own theory. They have to build the society where there will be no profit, interest, and land rent. That is, to build a society where there will be 'no exploitation;' and where

'all persons do labour'.

Let us see, through the cloth example itself, how that situation would be if all persons do labour.

8) If exploiters too perform labour?

Some labourers have produced 100 metres of cloth; isn't it? By the noon they produced 50 metres and another 50 metres by the night. During that period, they did the work of a total value of 40. Out of this, 20 is the wage. That 20 value will be enough for the maintenance of the labourers for one day. The remaining 20 value will be for the maintenance of the capitalist group for one day.

What happens if the capitalist group also works along with the labourers? Let us suppose that all got down to work early in the morning. All will do the work. Therefore, it is not necessary to work until the night to produce 100 metres of cloth. Work will be completed by half of that time. There won't be any change in the expenditure of means of labour. That is only 80. There won't be any change in the 'living labour' also. That is only 40. Also, there won't be any change in the commodity value as well. That is only 120. The whole change that occurs will be in the labour to be done by the labourers. Now the 2 groups will together do the labour of that '40 value'. The labour that the labourers-group now does will be of 20 value only. There won't be 'Surplus labour'. Those who lived by snatching the '20 surplus labour' from the labourers in the past will now do that labour for themselves. Their own labour gives them the means of subsistence. Now there won't be 'surplus value' in the 'commodity value'. Yet, the commodity value does not decrease. It is composed of an expenditure of 80 means of labour and 40 living labour as in the past. All those who worked now can go to their homes by noon itself after finishing the work. The remaining time will be the resting period for all.

Now, there won't be such a distinction as 'labouring' persons and 'non-labouring' persons. That is, now there won't be 'exploitation of labour'.

Now, there won't be land rent, profit and interest.

Now, the land will not be someone's 'private property'. All will use it collectively.

Now, there won't be borrowing of capital on 'credit'. They use the 'means of labour' collectively depending on the needs.

Now, there will be no 'trade'. There will be only 'production' and 'distribution' of products.

Now, there will be no such distinction as 'master' and 'servants'. None is a 'master' and none is a 'servant'. All are independent and all are equal.

Now, 'work to all' and 'rest to all'.

Now, there will be no cruel rule of the 'exploiting class' to oppress the 'labouring class'. There will be no need of it.

In this way, society itself will be overturned when all persons begin to do labour. 'New society' will emerge.

We are logically imagining all these changes based on the 'theory of labour'.

The exploiting class will not agree for these changes at all.

Our logic, our questions, our rationality are not meant for preaching the truth to the plunderers. Not for causing transformation of their heart. Only for knowing the truth for ourselves. Only for opening our own eyes.

Let us suppose that the labouring class struggled against 'exploiting class', defeated it and started its 'rule'. The 'classes' will not cease to exist immediately after the start of that 'rule'. The labouring class has to carry on its rule with an objective of getting the exploiting class into 'labour' and eliminating the exploitation. The labouring class has to follow the path of 'self-protection' until exploitation is eliminated. All the branches of the 'state' under the rule of the labouring class function with the orientation of eliminating exploitation instead of protecting it. Yet, the whole expenditure spent on the 'administration' is the expenditure not necessary for the 'processes of production'. Even in that society, the expenditure of administration does not fall under either the portion of means of labour or the portion of living labour. It will remain as an 'unnatural' expenditure necessitated by the existence of distinctions of class in the society. There won't be either class rule or expenditure to be incurred on it only if classes disappear.

Only 'process of production' and the 'process of distribution' are indispensable natural necessities for any period.

The changes have to begin with the situation whereby all will do the labour.

But, the exploiting class is totally opposed to it. Its objective is to keep the society unchanged. That is, not getting into 'labour'.

Labourers do like if the exploitative society changes. They do like to lead their lives in peace and with comforts that are not available in the present day society. But simple wish is not enough. Lot of knowledge and endeavour is required for it. They have to know very clearly as to why the society should change and how to change it. For this, we have to still learn hundred thousand things.

Now, let us leave our 'dreams of the new society' and go into our investigation again.

So far, we have seen only one commodity called 'coarse cloth'. But, the coarse cloth alone is not enough for human beings to live on. Several hundreds of kinds of products such as grain, other food stuffs, other clothes, medicines, coal, oil, sugar and houses are needed.

Whatever happens in the case of coarse cloth will happen in the case of every other product. Whatever happens in the case of one commodity will happen in the case of every other commodity.

Whatever happens in the work place of one capitalist will happen in the work place of every capitalist.

Now, let us see different branches that produce different commodities.

9) Different branches of production

Coarse cloth is a use value, a product, and a commodity.

The total coarse cloth required for the society is not produced at the work place of one capitalist alone. Yet several other capitalists also produce the same commodity (some 'independent producers' also produce that commodity). All the work places producing the 'coarse cloth' together constitute one branch of production or one branch of industry.

The branch that produces cotton is one branch of production (only those capitalists who use 'cotton' as raw material and who get another commodity produced with it, purchase the cotton. The capitalist and labourers who do not need cotton will not purchase it.)

The branch that produces 'looms' is one branch of production (only some capitalists purchase the looms; labourers do not purchase).

Each branch that is concerned with some product such as grain, clothes, sugar, oil and coal constitutes one 'branch of production'. Among these productions, some come through 'agriculture'. Some come through 'extraction of mines'. Some come through other industries.

Raising fish in rivers, seas, and ponds constitutes the 'branch of fish production'.

Growing trees for wood constitutes a branch of wood production.

All the hotels that get foodstuffs prepared constitute a branch of production called "Hotel industry".

All the branches running buses, lorries, trains and aeroplanes are the branches of 'transport'. Here, 'transport facility' itself is the commodity.

The construction branches are those which undertake construction of houses, roads, bridges, office buildings and train tracks etc.

The branch of production called 'print media' is that which brings out daily, weekly and monthly magazines. Magazines themselves are the commodities there.

The branch of production called 'printing industry' is that which undertakes printing work.

The branch of production called 'Cinema' or 'film industry' is that which produces and exhibits films. 'Exhibition of Cinema' itself is the commodity here.

The branch of production called 'school' is that which runs schools. Imparting education is the commodity here.

The branch of production called 'hospital industry' is that which establishes hospitals and treats the patients. 'Medical facility' itself is the commodity here. In this way, a branch that produces a particular use value will constitute a particular 'branch of production' or 'industry'.

There won't be a single capitalist in a branch of production; there will be several capitalists.

In some branches of production, there will be some 'independent producers' also. But, the production turned out by the independent producers in a given branch is least when compared with the quantity of

production brought out by the capitalists in the same branch. The main thing, therefore, is the production that the labourers turn out at the work places of the capitalists.

All those who are called 'contractors' are the capitalists only. The person who enters into 'contract' to get a 'commodity' produced is the 'contractor'. This is another name of the capitalist.

Every capitalist starts his activity with some 'capital', gets the commodity produced, sells it and at the end snatches the 'surplus value'. Therefore, wherever there is a productive capitalist, everyday, commercial commission, interest, land rent, profit etc. are bound to be there around him.

Whatever happens at the work place of one capitalist, the same will happen with every capitalist.

Whatever happens at one branch, the same will happen at every branch.

All branches together constitute 'society'. All branches together yield various kinds of 'use values' necessary for the society. The total production of all the branches is the 'mass of products of the society'. Or, mass of commodities. This entire mass is distributed every time as 1) means of labour, 2) wages, and 3) profit, interest, land rent, taxes etc. Later it will be consumed. The 'new mass of production' will be produced again, distributed again and consumed again.

Whether we consider one 'individual commodity' or the 'total mass of commodities', all the elements of it are the same.

As we understand the elements in one commodity in terms of 'value' and 'production', we have to understand the total mass of commodities also in terms of 'value' and 'production'.

We have seen a while ago as to how much cloth comes to each portion when '100 metres of cloth' is divided among the elements of its value. Some cloth has come to the portion of means of labour, some cloth to the portion of wages and some cloth to the portion of surplus value. However, what happened there was that all the 3 portions constituted the same production.

That is, the portion of the means of labour, the portion of the wages and the portion of the surplus value existed in the form of cloth. In fact, when we speak of 'means of labour' that have been spent on the cloth,

that means, things like yarn and loom should appear. Similarly when we speak of 'wages', things like rice and vegetables used in the homes of the labourers should appear. Similarly, when we speak of the portion of surplus value, articles used at the houses of capitalists should appear. In this way, relevant articles should appear in those 3 portions. But, when the 'cloth' is divided different products are not seen. Cloth is found in all the 3 portions. It appeared so because we have divided only one commodity called 'cloth' into 3 parts.

But, unlike that, if we take the total mass of commodities produced in all the branches and divide it into 3 portions, the products will appear in their respective portions.

Now let us consider the mass of commodities of one year.

The labourers of all branches together produce this 'mass'. Certain numbers of labourers work at the work place of each capitalist. All the labourers doing all types of labour in the entire society together produce the mass of commodities of one year: cotton at some places, yarn at some places, cloth at some places, looms at some places, coal at some places, oil at some places and so on. The newly produced commodities of all branches are found in that mass. They include:

the products used as 'means of labour',
the products of the maintenance of the labourers,
the products of the maintenance of the capitalists -
--all these products exist together.

Let us suppose the value of that mass is 1200.
Means of labour 800. Wages 200. Surplus value 200.

If we divide this mass into 3 parts:

Some products go to the portion of 'means of labour',
Some products to the portion of the 'wages',
Some products to the portion of the 'surplus value'.

It is not possible either for the labourers or for the capitalists to swallow anything from the portion of the means of labour (let us suppose that in this portion there are products such as cotton, looms, iron and cement.) They are not of use to the capitalists or to the labourers as 'means of subsistence'. They have to be used once again (as the 'means of labour'). The whole of this portion is nothing but the means of labour that have returned after being spent on producing that mass, of which

this portion is a part. The whole of this portion has to go to the work places of all branches of production as the means of labour required to produce again the new 'mass'. If we deduct this portion from the mass of products, a value of 400 remains. These include products that serve as means of subsistence in the 2 groups. The 2 groups have to use these means of subsistence alone. Whoever may consume, they have to consume it from this portion only.

Let us suppose that this whole mass of 1200 is sold away. What has happened here?

All the products in the portion of the means of labour go to the work places of all the branches. (The entire commodity of the 'cotton' capitalists into the work places of the 'yarn' capitalists and the commodity of the yarn capitalists into the work places of the 'cloth' capitalists and so on.)

The products that serve as means of subsistence of the labourers go to their houses.

The products that serve as means of subsistence of the capitalists go to their houses.

On the whole, that whole mass will be destined the work places of all the branches and to house in the society.

Every commodity has to get sold if the products in the mass are to reach their destination.

Capitalists alone purchase some kinds of commodities in that mass.

Capitalists and the labourers as well purchase some kinds of commodities.

Every capitalist sells away his commodity. He purchases from the other capitalists the commodities required for his work place and his domestic needs.

If we view from the side of the labourers: They come to the work place of the capitalists and 'work'. They take 'wages'. They purchase with those wages the products connected with their subsistence from different capitalists. While purchasing so, a labourer may purchase the commodities produced by himself; may purchase the commodities produced by the other labourers in other work places.

In this way, the whole mass of commodities reaches the work places of all branches of production and the houses through sales.

While on the one hand sales work is going on, on the other hand the production of new commodities will go on in the work places. The labourers come daily to the work places and keep on doing work. New means of labour in the work places will go on being consumed. Every day 'surplus labour' is being performed.

After every year, new mass of products will again be ready.

The value of the means of labour, value of the 'wages' and the 'surplus value' spent on that 'mass' together constitute the value of that 'mass'.

It will again be distributed and again consumed.

The labourers keep on losing greater part of their labour daily.

The capitalists keep on swallowing the 'surplus value' of the labourers daily.

It means that the labourers and the capitalists as well live on the labour of the labourers only.

Those who do labour - in poverty!
Those who exploit - with comforts and pleasures!
Every time - Production and its distribution!
Every time - means of labour, wages and surplus value!
Every time - Exploitation of labour!
In every branch and at every capitalist—exploitation of labour!
Throughout the society -- Exploitation of labour!

10) What is 'property?

'Property' means 'means of labour' only. As the 'land' itself is the main category among the 'means of labour', the main category in the 'property' is the land only.

All the other means of labour are also part of the property.

As 'money' is another form of the 'production', money is also a part of the property.

It amounts to the possession of the property if one possesses land, other means of labour or money.

The labourers do not have any of these categories of the 'property'. They don't have anything: either 'land' or the other 'means of labour' or

'money'. If at all they have anything, it is very little. It is equal to non-existence.

It is possible for the independent producers to acquire small private property. It is because, these are not subjected to 'exploitation of labour'. But, they also don't have the opportunity to accumulate more properties. It is because, nothing will remain so as to acquire property after deducting the necessaries of life from the value of the labour.

Besides maintenance, the independent producers have to pay 'interest' if they borrowed the expenditure of their 'means of labour'. They have to pay 'commission' to the trader while selling commodities. They have to pay 'taxes' on the commodity. All these expenses have to be paid out of the portion of value of labour only. It will only be possible to accumulate the balance amount as property after deducting all the expenses. It means that the property that could be acquired by means of one's own labour will be at a very low level. It depends upon the ability of a couple of people who acquire such a property. Therefore, it will definitely have a limit. It won't increase beyond that limit.

But, no such limit will be there for the property that is acquired through exploitation. It is because it is acquired through the snatching of the labour of others.

Snatching the labour of others enables a person to snatch the labour of any number of people. One capitalist may engage 10 workers, 100 workers or 500 workers or 'thousand' workers. There is nothing impossible in it. The mass of 'surplus value' increases if the number of workers increases. Assuming that the surplus value through one worker is Rs.5 per day, it is possible to earn '5 thousand surplus value' per day through one 'thousand' workers. However, it is not possible for the same capitalist to earn 5 thousand per day with his 'own labour'. Assuming that the highest wage per month in the workplace of that capitalist is one 'thousand' rupees, the capitalist can earn that wage only through his own labour. But through exploiting the workers, he earns 5 thousand per day and one lakh 50 thousand per month. If he increases 'capital' further and also increases the number of the labourers, he would earn more than one and half lakh per month.

What will he do with that 'money' so earned? He purchases the 'land'. He purchases the other means of labour. He hoards some 'money'.

He would begin to receive 'rent' through that land, 'profit' through

those means of labour and 'interest' through that money. His property will go on increasing. In this way, there won't be any limit to the property acquired through exploitation. It won't have any limit because that exploitation won't depend on the bodily capabilities of that exploiter. The property increasing in such a way can accumulate however much a larger scale. On such a large scale as much as one can exploit! That is why, the property of the slave-masters and the properties of the feudal lords were in an excessive range. The properties of today's capitalists are many hundreds and thousands times larger than the properties of the plunderers (the exploiters) of those days. Single families of the exploiters possess such a huge property that exceeds the properties of hundred thousand families of 'Independent producers'.

'Private property' is seen in several forms in the history. As the 'ancient tribal' property, as the property of the 'slave-master', as the property of the 'feudal landlord', as the property of the 'independent producers', as the property of the capitalists and so on. It may exist in different forms in different countries. Some of it may exist as private property and some of it may exist as the 'collective property' belonging to all.

We will see the negative consequences of the system of private property as we proceed further. It is also private property if the family of labourer or the family of an independent producer has an acre of land. When we speak of the system of private property that causes negative consequences, we don't mean a system of private property based on 'own labour'. We mean only that system of private property that is based on exploitation. 'Exploitation' leads the human society to several negative consequences.

In societies based on exploitation, land, other means of labour, and money exist as the private property and family property of exploiters.

But, in a new society where everybody will perform labour, that is where there will be no exploitation, it will become meaningless if the property is at the personal level or at the level of family. There, all the means of labour will be at a collective level and under collective rights.

Even in the 'new society', there will be an 'evolutionary' process having many stages whereby private properties transform into collective properties. Let us suppose that this entire evolutionary process is

completed and the new society has reached the stage of 'dispensing with money' also.

The property possessed by a human being (either woman or man) is of two kinds.

1) Right over the collective property

2) Right over the products that would be used individually or together with the family members. A house in which a person lives belongs to all the family members. Things such as food, clothes, shoes, cot, pen and comb stand as individually consumed articles. These become part of the collective property after the death of a given individual. It means that the family members or others may use either those things.

The essence of these 2 kinds of rights is that human beings perform labour and consume the fruits of that labour. This is possible as long as a person is alive.

Only those articles that a person could use during her/his lifetime constitute real private property. The word 'private property' acquires it real and natural meaning only by then.

11) What does the capitalist economist say about 'profit'?

A capitalist economist would say the same thing which a capitalist says about not only 'profit' but also anything whatever. We can't say that there is nothing, which a capitalist economist knows more than a capitalist; but it is almost equal to nothing.

A capitalist economist also agrees that, when a 'commodity' is sold, more value will be secured than the 'capital' spent. But he says in a haphazard manner while explaining how that 'excess' is derived.

The capitalist fixes the value of a commodity after 'adding profit' to all the expenses; isn't it? While adding expenses, he includes commission, interest, land rent, taxes and profit; isn't it? The capitalist economist sees all this and believes what all he saw is 'right'. As he sees practically with his own eyes that profit is derived, he thinks that deriving profit is 'natural' when capital is invested. Similarly, as the economist sees the capitalist taking out from the commodity the interest, rent and profit, he thinks that they are all really derived from the commodity. As sales and purchases of products exist, he assumes that purchases and sales

are natural. The whole understanding of the economist is thus nothing but the understanding of those who swallow profit, interest and land rent. It can't be different from that. As this economist thinks very much like a capitalist, we are calling him a 'capitalist economist'.

The capitalist economist does not know any particulars of 'labour'. There is no distinction, in his view, between the use-value and value. There is no distinction between concrete labour and abstract labour. Also, there is no distinction between living labour and dead labour. Owing to the lack of proper understanding of these things, they hold several wrong notions.

We have seen at the beginning of this chapter what the economists say about how profit is derived. One notion is that the profit results from buying cheap and selling dear. Another notion is that profit is derived because the buyer gives more owing to his need. Yet another notion is that adding something over and above the expenses derives profit. We have already seen that all these notions are wrong.

The economists see capital getting profit and consider it proper and theorise that 'capital yields profit'.

The questions — such as "which factor of the capital yields profit? How does it yield? Is profit a justifiable thing" — will not find a place there. In fact, these are not at all debatable questions in the view of those economists.

Let us suppose that the economist really could not grasp the fact that the labourers and not the means of labour play a role in giving 'profit'. When someone assumes that "capital yields profit", he should be sincere in his assumption.

Those who assume that "capital yields profit" should also assume that in yielding profit not only means of labour but also wages play a role since 'capital' includes not only means of labour but also wages. It means, they have to propose a theory that 'profit should be distributed not only to the portion of means of labour but also the portion of 'wages'. If the economists had proposed such a theory, we could arrive at the conclusion that they said whatever they could understand (though in fact they are very wrong in their understanding of the fact).

But nobody, who thinks that "capital yields profit", would say that "wages have a role in yielding profit since wages are also part of capital". It is because, if they say so they have to distribute profit to the wages

also. That is, they have to give a portion of the profit to the labourers in addition to 'wages'. This is something that the capitalist does not like. Therefore, the economist also does not like it. The notion that "capital yields profit" implies that "the means of labour alone will yield profit".

It means that the economists assume that the whole thing, which is happening only due to labourers, is happening only due to the means of labour. That is, completely 'an upside down' affair! Though the economists do not know properly how the property is derived; even in that 'ignorance', they think in such a way that it is beneficial to the capitalist and not beneficial to the labourers.

Whatever the capitalist economists like Smith and Ricardo said about 'profit', it is completely an old song. Even according to their understanding also, 'capital' has the right to take 'profit' and 'interest', and the land has the right to take 'rent'. All these elements get added to the 'commodity value'. All these will come back when the commodity is sold. It means that profit, interest and land rent are as much necessary as yarn is necessary to produce the cloth. This is what all the economists say.

For those who watch something for a very long time, it appears to be a natural thing. It becomes habitual to see what is taking place and to think that it is right. That is common sense. In certain matters even 'common sense' will be true. But, it is only a part of a complete truth rather than complete truth itself. In certain other matters common sense will wholly be untrue. Once the truth of a matter is revealed, common sense, which had hitherto seemed true will be proved totally false. That is why it is not possible to know, except through 'investigation', whether what looks like common sense is true or not and if it is true, what part of the complete truth it constitutes.

All the notions of the capitalist economists will only be at the level of common sense. Their investigation does not transcend common sense to go deep into intricate things.

The economist sees the distribution of the value of the commodity into several portions. He also sees that those who share it possess certain 'rights'. That's all. As there is a right, he thinks that it is a right, he thinks that it is a right which ought to be there and it is there because it ought to have been there.

The understanding of the economists with regard to interest, profit and land rent is similar to the following sort of thinking one makes by

watching a disease in the society. "This has been there in the society since a very long time; isn't it? This is a right thing because it has been there since a long time. It ought to be there. This is something that exists forever because it has been there since a long time; it will always be there. This is present because it is something that ought to be there".

Profit, interest and land rent have been there since a long time. And certain persons possess rights to receive them. Everyone in the society has been recognising and sustaining these rights. That is, those who borrow loans are paying 'interest'. Those who hold land by lease are paying 'rent'. Those who work for wages are performing 'surplus labour' and are providing a means for earning profit (without knowing it themselves).

Since all these things have been thus taking place, 'common sense' feels that all this is okay. To an ordinary mind, 'interest' is also some kind of thing as the wage is. Land rent and profits too are of the same kind of things.

The capitalist economist's also is an ordinary mind. He holds such a view, which assumes that "interest, profit and land rent exist only because they ought to exist. As they have been there since the past, they are right things".

Society can realise this wrong notion only when it becomes aware of the fact about the 'value'. It does not mean that the class of exploiters withdraws from the exploitation as and when it becomes aware of the 'value'.

The knowledge of 'value' gives correct knowledge to the class of labourers. Later it will have its own strength.

However, none of the aspects of 'value' appears outwardly. "Adding profit to the expenses" alone appears outwardly; but the basis for doing so does not appear outwardly. Again what appears outwardly is the limit within which profit is added; but the basis for such a limit does not appear outwardly. 'Causes' never appear outwardly. Only the 'effects' of the 'causes' appear outwardly. 'Science' is nothing but grasping the essential truth through some amount of investigation taking the 'effects' into consideration. Repeating common sense is no science. 'Science' explains what common sense cannot. The role of science begins where common sense becomes inadequate.

The economist's retelling of what the capitalists say (that "the profit is derived by adding something to expenses") by way of an economic

formula is nothing but putting a new cover to the account-book of the capitalist and writing the title "Economics" on it.

We cannot say that these economists speak of a given issue in the same manner at every place.

Even those economists who developed the issues of 'economic science' in some aspects are found in many contradictions.

Ricardo, on the one hand, says that "the entire value of a commodity is formed by labour" and on the other hand, he justifies profit by saying that "it is proper for the labourers" to receive wages and capital to get profit". But, he also expresses another view that 'profit decreases if wages rise and wages decrease if profit rises' and thus both these categories have a definite relationship. If we examine these views in detail, it emerges that they are mutually contradictory. As per the view that 'value of the commodity is formed wholly due to labour', the basis for the value is labour only. When we deduct value of the capital from that value, the whole of the remaining value is derived from the labourers. Hence the whole of it should belong to the labourers. But, according to the second view expressed by Ricardo what labourers should get is nothing but 'wages'. Ricardo meant that labourers receive the fruits of their labour if they get wages. That is, Ricardo meant that there remains a portion called 'profit' even after labourers receive the fruits of their labour and that (profit) too is labour. But Ricardo does not explain through which factor that labour entered into the commodity. This means that Ricardo's ideas are half-baked. There are some 'steps forward' in his views. The idea that 'profit decreases if wages rise' is a 'step forward'. This was able to point out a truth, however unclear and half-baked it (the idea) may be. But, the same idea caused anger among the capitalist circles. It is because, this idea points out that 'there would be conflict between capitalists and the labourers'. (We will see this point in a detailed manner in another context). We have already seen in one of the earlier chapters that an anonymous author, for the first time expressed the view that "the whole value in a commodity is labour only". Ricardo supported the same idea. What will be the conclusion if we examine things according to that idea? It will be concluded that categories such as profit, interest and land rent are the labour of labourers only. But, Ricardo could not grasp this fact as he was unable to get rid of the capitalistic outlook. He justified profits, etc.

Any scientist who is carried away by the ordinary commonsensical notions and who tries to restrict a 'new truth', which he grasped in his 'inquiry', within the limits of his common sense — such a scientist cannot

see what is visible to the eye and catch hold of what is nearer the hand. Like Ricardo, he would drop the truth, which he finds in the course of his 'search'.

Ricardo went, approximately, to the extent of 'surplus labour'. But he could not grasp the fact that it belongs to labourers and that they alone have exclusive right over it. He could not pierce through the question, "if so, what about the profit that is due to 'capital'?". He could not make a 'new imagination' thus: "perhaps, capital need not get profit; perhaps capital itself is not necessary! Perhaps, production is possible even without a capitalist and his capital". Though he grasped the fact that 'profit is also labour', he could not grasp that "it too belongs to labourers". He sighed that it is imperative that labourers have to satisfy with the wages and live accordingly. This is a sort of vision that could not go further than the general fact that 'profit is a must for capital'. Though he had partly grasped the 'inner truth', Ricardo could not accordingly understand the 'apparent fact' but understood the 'inner truth' according to the 'apparent fact'. All this is not by knowing completely or unknowing completely; partly knowing and partly unknowing.

The capitalist viewpoint is that viewpoint which cannot imagine 'capital without profit' and 'production process without capital'. It is both unnatural and impossible with this viewpoint to realise that 'the cause of profit lies in the exploitation of labour'.

If a capitalist economist has not grasped the fact of 'exploitation of labour', it does not mean that he did not contribute anything to the 'economic science'. In fact, these economists had alone conducted the preliminary research into 'value'. But, they stopped to advance further where it is not possible for an economist who has not given up the capitalist outlook.

No economist who holds the view that "Capital should get profit" will be able to discover a new path in economics. If he discovers, it will be nothing but a path of defying 'exploitation'. It amounts to turning economic science along the revolutionary path. Marx did exactly the same.

12) Enter Marx

Then arrived Marx into 'history': into the history of economics, into the history of philosophy and into the history of communism. All these histories are various aspects of the 'history of humankind'. All these aspects were filled with vagueness and confusion by the time Marx arrived.

Marx, who began to investigate into these aspects, grasped the actual truth about society in the course of the investigation.

That truth is "The surplus labour of the labourers alone is the source of the profit, interest and land rent". Marx grasped that truth and explained the past, present and future of the society from that viewpoint.

Labour is the basis of the human society. It was labour that distanced human beings from animality. The humans, who had given up labour, became exploiters and degenerated down to the level of animals. Those humans who had given up the labour began to hunt down the 'humans who perform labour' just as an animal hunts down its enemy-animal. There began a hostile relationship between human beings. Exploitation of labour created struggles among humans. And this struggle will one day lead to a society which will abolish enemy relations among humans. Marx, who understood this course of the history, received the true and correct ideas and ideas that could lead to the abolition of the exploitation of labour, from Economics, philosophy and egalitarian (communist) concepts which were then with errors and contradictions. He rejected those ideas which are false, artificial and which could only stabilise the exploitation of labour.

No ordinary person, no extraordinary person, no economist and no philosopher had understood why a very few people in the society are rolling in riches while the vast majority of people are rotting in poverty, until the fact of exploitation of labour was revealed by Marx.

Marx was the first economist to stand on the side of labourers with the truth he could see as a result of his inquiry. It became unavoidable at the time of Marx that Economics had to split into two paths.

The proletarian economics is advancing along the revolutionary path with an aim to abolish exploitation and the capitalist economics is proceeding along the anti-revolutionary path with an aim to prevent the abolition of capitalism.

Capital has been there; profit, interest and land rent have all been there; economists who support them have also been there even after the revelation of the truth that "the source of profit is exploitation of labour".

Let us now go back to the 'capitalist'.

13) Capitalist with 7 pockets

If a productive capitalist has his own capital, his own land and his own commercial set-up etc., the entire 'surplus value', without a single paise of it going away anywhere, will fall into his own pockets. He will then have 7 pockets.

1) The pocket of 'commercial profit', 2) The pocket of 'interest', 3) The pocket of 'land rent', 4) The pocket of 'evaded taxes', 5) The pocket of 'evaded bills', 6) The pocket of the 'sums drawn from the Government Treasury', 7) The pocket of 'productive profit'. He is a 'complete' capitalist who can thus merge the whole of the 'surplus value' into himself. He is the 'cosmic form' of capital. Himself is a productive capitalist! Himself is a commercial capitalist! Himself is the money-lending capitalist! Himself is the landlord! Himself is the capitalist who swallows government's income! He is this, he is that! Only this fellow, only this fellow, only this fellow is everything! Hence, he is the cosmic form! Capital makes its great appearance through him in thousand forms with a thousand hands and with a thousand teeth. Himself is the aim, himself is the goal and himself is the idea for every capitalist.

Capitalists, however, have to make a lot of "effort" in order to attain this stage.

A capitalist will not possess his own capital, his own lands, his own commercial institutions and so on at the beginning itself. If a capitalist has a single pocket of 'productive profit', he will be an extremely poor capitalist, Alas! But, at the time of having his shirt stitched, he would have 7 pockets stitched hoping to become a complete productive capitalist before the shirt is worn out. His poor pockets will, Alas, always be awaiting with a great hope that, "shall we not be filled?". The capitalist will be acquiring his own capital and his own land etc., if he goes on managing his 'industry' with 'patience', 'perseverance' and 'deftness'. All his pockets will gradually bulge with money. Each pocket of the capitalist knows in advance that all this would happen. The pocket of the capitalist is always optimistic. Pinning its hope on the near future, it goes on dreaming.

Our cloth capitalist is still a poor fellow. Only 8 have remained for him after distributing many portions of the 20 surplus value to all, isn't it? Seeing this, his economist emits a deep sigh saying "what more can remain after all these expenses? Would 20 remain instead of 8?". This economist, moved by the difficulties of his capitalist, occasionally breaks

into tears. Somehow he is very fond of the income of the productive capitalist.

Capitalist economists split into as many kinds as 'surplus value' splits. If one fellow wishes the well being of the 'productive capitalist', another thinks of the well being of the money capitalist. If one is concerned with the commercial capitalist, another about the hardships and comforts of the landlord. All these economists have butter-like hearts. They become tearful if the profit and interest of 'their people' decrease. They spend their time thinking of the means by which the income of their persons increase; imagining the ways in which the share of the pocket of one fellow falls into the pocket of another fellow (a portion of it into their own pockets) and inventing new theories.

It is not only economists who split along with 'surplus value'. Philosophers, artists, this genius, that genius, all and sundry geniuses wherever they are split into different kinds. Though, they sound alike, it could be well understood as to who is singing in praise of whom in particular if one goes deep into their arguments.

It pains the productive capitalist who has just set up an industry and begun to grow if he is obliged to pay interest, rent and commission to others. His economist takes his pain on himself. The economist rashly rebels against 'interest' and 'rent' in the first instance thus: "Can't there be capital without interest? Can't there be land without rent?". But soon he thinks of a day when all these things would find their way into the pockets of his own people and hence some what restrains himself from wild attacks against the interest and land rent of others. He begins to think of the ways to reduce these expenses for the present.

He engrosses himself with such tricks of reductions as: "should so much of interest be paid? What if it is reduced? If at least land rent be reduced? If that is reduced? If this is reduced?" The others come to know of these tricks. All of them become angry because they see 'dangers' in those tricks.

The economist standing behind the chair of the money-capitalist raises a big point, saying, "what is your conspiracy? Should interest be reduced? You ask why so much toward interest, isn't so? How can you set up an industry, if we don't lend you money?"

On another side, the economist who is crouching by the cushioned seat of the landlord also makes his eyes red and very mockingly says:

"Where will you set up your 'in..dus...try' if our 'land' is not there? In the air? And you say that 'rent' be reduced?"

The economist of the 'commercial capitalist' expresses painful surprise saying, "So you are thinking of reducing even our 'commission'! What will you do with your commodity if we don't sell it?"

The economist of the productive capitalist pays no need to anyone's questions. He shoots common questions as if in reply to all, saying, "Where would all of you be if we don't get the commodity produced? What would you distribute if we become 'bankrupt'? The industry can stand alive only if we get a nice profit". He then turns to his capitalist and bends his head for his compliment, "Have I said well?".

The productive capitalist is a somewhat dignified fellow. The fellow does not speak at whatever time. He has immense self-respect for himself. He has a little disdain for anybody other than himself. The productive capitalist opines that the landlord is a very crude fellow and that he has occupied the entire land without letting others to utilise the land enthusiastically. Another opinion of productive capitalist is that the 'money-capitalist' sits idle, extracts money and frightens the borrowers away from loans with his cupidity for 'interest'. He has a similar slight opinion of the 'trader' too. He has the firm opinion that he is very 'industrious' and does a lot of 'service' to the society.

But, the fellow does not know that profit is as abominable as interest, rent and commission. As he does not know it, his economist also does not know. It is obvious that his economist knows only when the capitalist knows it. The economist does not say it to him since he did not know about it. And the capitalist does not know about it since the economist did not say it to him. On the whole, both of them do not know that 'profit' too is abominable.

The productive capitalist is always lost in thoughts of his 'service to the country'. Probably he might have been immersed in those thoughts as ever and hence he gave out a 'dignified' smile in answer to the words of his economist.

Whoever smiles, the landlord gets irritated. He frowns and says, "Why these smiles here?"

The money-lending capitalist said, "smile?" and got immersed quickly in a thought as if he has got some urgent work. If a smile is seen at that end, a smile should proceed from this end, isn't it? But that won't

happen in the case of money-lending capitalist. It happens otherwise. His brain began to calculate thus: "If it is for smiles...at the rate of 3 per hundred, per month, for 12 months...' at the rate of 6 per hundred...per month.., at the rate of 16 per hundred...". His condition is always like that. His heart always beats thus: "per month...per year.., per month... per hundred...."

The four economists again offered their respective answers. They put forward their respective answers. They put forward their respective arguments. None of them budged an inch away from his argument irrespective of any number of rounds of talks. They shout at each other. They abuse each other. They challenge each other: "How great are you? How great are you?".

"I am at present engaged in writing a book explaining how important the 'industry' is for human society. Read it after it is released" says one.

"I have already written a book about the importance of 'land'. First read it", says another.

At such a critical stage, the money-capitalist feels as if his house is sinking in waters, and looks at his economist with the question, "have you not written anything for us" The economist got frightened and said, "...nearing completion... nearing completion." In his consternation he was not clear as to where to put his hands and was about to hit them against the face of the money-lending capitalist, tried to take them back but let them loose downwards. Unable to understand as to how a book is nearing its completion even before it was started, the money-capitalist is surprised and draws back and knits his brows, avoiding the pushes of the hands of the economist.

None of them utters the word 'Labourer' in these polemics. Except such words as 'our credit', 'our capital' and 'our land', they do not know that there exists a word 'labour'.

This scramble is only for sharing the 'surplus value'. Each fellow is anxious about his own share. Whoever should get more, he must pick another's pocket. Only when a paisa (penny) decreases in one's pocket, that paisa increases in another's pocket. Whatever one gets is only from out of the surplus value. That is why they draw knives and swords against one another and get ready to cut one another's throat sharply.

All the productive capitalists existing within the 'society' are one 'crowd'. Call this crowd 'set' or 'section'. Whatever you may call. There

is nothing in a word. Its meaning is essential. All the commercial capitalists are one crowd. All the money-lending capitalists are one crowd. All the landlords are one crowd. Each crowd has its own worries! Each crowd has its gains and losses. Each crowd has its own interests.

Let us call this crowd a 'section'.

As we call all the productive capitalists a 'section', it does not imply that this section is very united. There are again a number of smaller groups within this section. And clashes among these groups! Within each group there are some individual capitalists. Clashes among those individual capitalists.

If we consider the section of commercial capitalists, the same is the case. Once again here are smaller groups within it and there are individual traders within each group.

The same is the case of the section of money capitalists too. The same is the case of landlords too.

A clash between every two persons! A clash between every two groups! A clash between every two sections! It is all because of their shares in 'surplus value'.

It does not mean that those who receive 'incomes' from these portions belong to a single section alone. One fellow may get some income from 'land rent' and some income from 'interest'. Another fellow may get his income both from 'commission' and 'interest'. One fellow may get his income from four or five sources. Then, which section does he belong to?

A person belongs mainly to that section whose principal source of income is the same from which he derives the greater part of his 'total income' and he will be inclined towards the interests of that section.

It means that each one who receives a part in the surplus value is included in one or the other 'section' in the main. He is in conflict with other sections, though parts of his income are derived from other means, which, however, are not the principal means.

These plunderers who do not hesitate to fly at each other's necks with knives and guns for the sake of profit, display 'unity' all of a sudden. They stand as thickly close as 'bricks in a wall.' You know, when? When there is a clash with labourers!

Labourers will have a direct contact only with the productive capitalist. Labourers will not have any contacts in the place of work with those other fellows to whom that capitalist distributes portions of surplus value. If labourers clash about anything, it is only with the productive capitalist. In such an event, the other sharers of the loot stand by the productive capitalist. All of them together enter into a clash with labourers. Their pockets cannot become full unless the industry of the productive capitalist runs smoothly. The other fellows will come to know better the 'speciality' of the productive capitalist in the context of a struggle with labourers. Therefore, they stand united around him.

As matter of fact, the productive capitalist is the youngest of them all. He is the last in the history of the 'family of exploiters'. The landlord, trader and moneylender were born before this fellow. They had been in existence even before the birth of the productive capitalist. At that time, they were individually and with 'self-effort' were extracting land rent, interest and commercial profit. Once he was born, the productive capitalist grew up very fast. He then said to his elder brothers thus: "You have carried on the job of exploitation quite well all these days. Why should you toil further? I will take up all your responsibility. Be assured, I will extract such an amount as would suffice for your 'interest', 'land rent', 'commission' as well as my 'profit'. You people, take rest". There was not much of 'toil' on their part even earlier. But now this is a change even in the 'situation of no-toil'.

The productive capitalist has been the centre of exploitation right from the day he stepped into the 'history'. He alone is the great fellow who gets surplus value produced adequate to all. One fellow 'lends' him 'capital'; one fellow rents out his 'land' to this fellow; one fellow gets the commodity 'sold'. All of them assist him and he assists them in turn. All these fellows quarrel among themselves and again they become one. They are, therefore, 'hostile brothers'. All the sections of these hostile brothers together constitute the 'exploiting class' in a given society. That is, they are a big gang of plunderers! Opposed to it is the 'proletariat'. The relationship between the proletariat and the exploiting class is completely antagonistic. That is a relationship between 'antagonistic classes'.

As the productive capitalist gets the 'surplus value' produced, he represents all those that share it. That is, he is the representative of 'exploitation'. That is why our study, to a large extent, deals with him.

Whatever we say about him, it applies to each and every fellow of that gang.

14) Before and after the theory of 'surplus value'

Those economists are knaves who, even after the secret of surplus value has been revealed, continue writing in defence of profit, interest and land rent without opposing these categories. We should not club together those economists before Marx and these knaves. There is an 'excuse' for the economists who wrote at a time when it was not clearly known about surplus value. There is, however, a difference even among those economists. Though, not aware of 'exploitation', there were economists who stood by the labourers and who did not stand. Even if exploitation is not known, riches and poverty are seen in the world. Poor people are seen suffering. It is 'heart' not 'knowledge' that is important in order to see the suffering. Humans become guilty not because they lack in 'knowledge' but because they lack 'feeling'.

Even at a time when they were not aware of exploitation, a number of economists had propounded theories in favour of labourers: loving them and wishing their welfare. There might be millions of mistakes in those theories. They reflected their 'refined heart' and 'humanism' of those economists. Further, it led to lofty knowledge.

Marx marched forward along that path of knowledge and revealed the secret of profit, interest and land rent which both exploiters and labourers as well were not aware until then. The exploiters were thunder-struck the moment the secret of the exploitation of labour was revealed.

They were all surprised, "is it not the capital that yields profit? Is it workers who give profit? Is it workers who give interest? Is it workers who give rent? Let us hope that all these things have already not been known to workers also". While the astonishment of all the things taken together constitute one tower, the astonishment of the productive capitalist alone constitutes one single tower. It is because that he alone has the opportunity to pocket interest, rent, profit, etc.

The cloth capitalist was enraged as soon as he heard the name of Marx. Summoning his economist, he bombarded him even before the former was at the doorsteps.

He screamed, "What? It seems, there is a useless fellow by name 'Marx'! It is said that he is writing some nonsense! Why don't you write that his whole theory is wrong?". The respect shown till now toward the economist has gone with the wind.

"I am thinking only of that. What answers do we say to those contentions..." the economist stood shivering.

"Thinking yet? It seems he writes that we evade wages by not paying workers in full! Why do they work if we pay low wages? Are they crazy?"

"What else can they do sir? What other livelihood do they have? Marx says that they became 'wage labourers' only because they had lost all the means of labour. But, he argued that point very well sir!" - As the economist had done some reading of the economic science, he could not withhold himself from expressing his admiration for Marx's way of writing, logic and rationality. A number of questions which had for a long time been hard nuts in economics seemed to have become easy and clear. The economist was pleasantly surprised as if he came to know new aspects of the science, "Oh! Is this the cause of profit? Is surplus value being created in the work place?" He even felt jealous in his heart thus, "Yes, it is difficult to refute this theory. What answer can we offer? Perhaps Marx will get fame."

If this economist is convinced that everything that Marx said is correct, should he not say thus, "Yes, everything that Marx said is true. I am changing all my earlier ideas. Henceforth, I would stand on the side of the working class?" But he is not prepared to do that. Recollecting all the things in Marx's book, he pretends to know very important matters and makes enunciation thus: "Marx says that the labourer has been reduced to a condition wherein he sells his 'shoulders' only because he has been alienated from the means of labour. What Marx says about the formation of capital is..." Having burnt his face with the hot looks of the capitalist, the economist suddenly changed his words, "...are we going to accept all that? Why did the labourer lose the means of labour? Why did he lose, sir? Because of his laziness. I intend to make this point in my book."

"When are you going to write yet?"

"I shall write, I shall finish it"

"What is the use of writing it much later? Write it and get is by this time tomorrow. I will get it printed. Otherwise, what is the benefit of writing after the theory of Marx is spread among labourers?"

"No need of fearing that. Marx's book is not intelligible to any one. It is not at all intelligible to the workers. In my case, I have racked my brains, yet I understood nothing.''

"Even if it is not intelligible to them some useless-fellow who understood will read it and tell them. Such fellows do not have any thing to do: 'neither work nor song'. There is no dearth of creatures that become jealous of the rich. Once there is a spark of fire, how much time does it take for 'turning' it into a big flame?" Saying thus, the capitalist looked frowningly at the economist.

On seeing the economist who, even after having understood the arguments of Marx, was prepared to write as he instructs, the capitalist was reassured that the economist would not give up the 'service to capital'. The capitalist would have been scared of the economist a little if the economist has spoken in support of Marx and he would have then spoken to the fellow with some respect in order to turn him to his side. But as the economist seemed to be ready to 'serve his feet' as ever without any effort on his side, that great fellow appeared to be very cheap in the eyes of the capitalist. The capitalist reiterated his wish as though he was ordering his accountant thus, "you must finish writing it by this time tomorrow".

The economist, now chastened by the stinging words of the capitalist and relieved from the intoxication of the fascinating theory of Marx, hung his head signifying his consent and took his leave in order to prepare a theoretical essay refuting the argument of Marx by now tomorrow. From this moment that economist became a false economist who consciously stood in support of exploitation though he knew about exploitation completely.

Questions :

(Answers should be brief; should be only one sentence if possible)

1. What does 'capital' mean?
2. Who is a 'capitalist'?
3. A capitalist spent Rs.2 on getting a thing produced. Can we call this expense as 'capital'?

4. Someone gave a thing free to you. You did not spend anything on it. Does it mean whether or not labour has been spent to produce that article?
5. Can firewood be raw material in cooking food?
   If not, what else is it?
6. House-what are the raw materials for this object?
7. What is the raw material in driving a bus?
8. What is the raw material in cattle rearing?
9. Seeds, manure, fodder - are these raw materials, or means of labour or auxiliary material?
10. The landlord measures out with a false measure to the labourer who worked in his fields. Is this production process or circulation process? Is the profit that the landlord gains 'primary profit' or 'secondary profit'?
11. The portions, which add value to the 'commodity', are only two. What are they?
12. What does the capitalist say with regard to the question 'how profit is derived?'. Is it right or wrong? How?
13. When we speak of commodity, what will be its quantity?
14. Explain with two examples the point that 'the quantity of capital spent a commodity depends upon the quantity of the commodity (consider less quantity and more quantity of the same kind of commodity).
15. What is meant by living labour? What roles does it play? Answer in a single sentence each.
16. Value of the cloth is 10. Value of the table is 10. What is the total of the values? Exchange took place between these commodities. What will be the total of the values after the exchange?
17. We have divided a bag of grain for the portions of means of labour, wages and surplus value. In the portion that came to the means of labour, there won't be the portion of wages or the portion of 'surplus value'. Similarly, write about the other portions also.
18. What do we call the process that transforms commodity into money?

19. What does it mean when we say, "the value of the wages is 'reproduced' while labourers work"?

20. Value of the means of production is 60, value of the wages is 20. Value of the commodities produced is 60 +20. Is this correct?

21. Cloth, sugar, iron, shoes, pen, rice, coal, chair, water - which of these is used as raw material and which of these is used as means of labour?

22. When does an ox serve as a raw material and when as a tool of labour?

23. What happens in the 'process of circulating'?

24. A capitalist sold his commodity for Rs.5. The exchange between that commodity and Rs.5 is an exchange of equal values. Yet, the capitalist could get a profit of Re.1 from those Rs.5. How was it possible?

25. What is the difference between primary profit and secondary profit? What are their sources?

26. The value of 10 articles is 280. The value of the means of labour is 160. Wages are 60. How many of the means of labour would have been spent by the time half of the work is completed? How much of the commodity would have been produced by then?

27. Does the capitalist lose on account of interest and land rent?

28. What is the source of your income?
Wages, Profit, Interest or Land-rent?

29. Are you a labourer or an exploiter?

30. Do you know any capitalist who has his own capital, his own commercial establishment and his own land? How many pockets does a capitalist whom you know have?

31. Wages mean necessaries of life, isn't it? All the necessaries of life are inanimate objects, isn't it? Is it not wrong to say that inanimate objects give more value to the commodity than their own value?

32. When we buy a match box, some of the matchsticks in the box will be without the burning material. Capitalist of sweets calls his sweets as 'sweets made of ghee'. But you will find no ghee in it. Mention some such commercial frauds.

33. How can we say that interest is not a 'natural' necessity for the making of an object?

34. Write down the summary of this chapter in not more than 20 sentences. Begin it with the words, "If a capitalist spends some amount on the production of a commodity and sells it, does he get more than what he had spent or less or the same; and conclude it with the words, "And this is exploitation of labour".

35. Special for Artists: Draw the following picture. A classroom. Marx as a teacher. Labourers as pupils. Men, women and children, all should be there among the pupils. Highly educated labourers should also be there. 5 persons stand as accused before the pupils. One fellow carries a travelling bag. Another fellow carries a moneybag in his hands. The third fellow has a prominent moustache. The fourth fellow should look like a government employee collecting taxes. The fifth fellow is somewhat "dignified" in his bearing. Marx points at them and tells the pupils thus, "These are the fellows who distribute your surplus value".

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Chapter 2

The value of 'labour power'

The labourers do 'labour' for the capitalist. They get 'wages' in return for that labour. Those wages will not be equal to the value of labour done by the labourers. They will invariably be less than that. After deducting the portion of wages from the value of the labour, the balance will go to the capitalist as surplus value. —So far we have understood.

Then, what is that which the labourers get? What is meant by wage? What part of the 'value of labour power' constitutes 'wage' and what part constitutes 'surplus value'?

The answer will not be complete if we say that 'some part will be come out as wage and some part as 'surplus value'. We should be able to say how these portions are determined. Does the 'wage' have any laws or rules? How much does the capitalist give to the labourers and how much does he retain for himself? Which is determined first: the amount to be given or the amount to be retained? Does it have any such minimum limit as: 'the amount to be given cannot be reduced beyond this'? —We will now see all these things in detail. We can understand how production of 'surplus value' is possible, that is, how 'exploitation of labour' is possible, only if we understand what a wage is.

To say briefly in the first instance, what the labourer (either a man or woman) gives to the capitalist is 'the value of labour'. The portion that goes to the labourer out of it is the 'value of labour power'. What remains after deducting the value of labour power from the value of labour is 'surplus value'. The entire 'history of exploitation' is based on the difference between these two aspects, namely, value of labour and value of labour power.

1) What does 'labour power' mean?

Can you answer this riddle? 'There is a capitalist. He has purchased certain commodities. Of these commodities, excepting one commodity, all the remaining commodities yield simply the value that they possess. But that particular commodity alone yields more value than its own. What is that commodity?'

The history of the capitalist would not have commenced at all, had there not been at least one commodity that could yield more value than its own. Not only the history of the capitalist but the history of exploitation itself might not have begun if such an aspect had not been there.

Such a factor is there. That is 'labour power'. That is, the 'capacity' in the human body to do 'labour'. The capacity to do 'work'.

'Labour power' is the sum of those powers that a human being employs, both physical and mental, in order to perform a labour. Labour performed through bodily exertion, by using mainly hands and legs, is manual labour. Labour such as ploughing, weaving and carting belong to this category. Labour performed by using mainly mental faculty is mental labour. Labour such as teaching (the students), treating (the patients) belongs to this category.

Even if the work is done mainly with the help of hands and feet, it requires the co-operation of the brain. Even if the work is done mainly by means of thinking (brain), it requires the co-operation of other limbs. It is not, therefore, possible to categorise a labour as exclusively 'manual labour' or exclusively 'mental labour'. Yet labour that involves mainly the exertion of the body may be categorised as 'manual labour' and labour that is largely related to the faculty of thinking may be categorised as 'mental labour'.

As legs do the work of walking, brain does the work of thinking. While doing a sum, legs do not work; brain does the work. Brain also gets tired in the course of its work of thinking as legs get tired while we go on walking. It does not mean that mental labour is such a labour that is done with great intelligence, or those who do mental labour are highly knowledgeable persons. It is mental labour because it is performed with brain. Those who do mental labour are 'mental labourers'. To do any labour, a certain amount of capacity relevant to that labour is required. Some 'capacity' is required either to do manual labour or to do mental labour.

Labour power is one of the several commodities purchased by the capitalist. Like all the other commodities that the capitalist purchases, the labour power too should have some value. It should be possible to calculate that value in some manner or the other. If it is not possible, it might also have not been possible to purchase and sell labour power as a commodity. The direct embodiment of labour power is the person who does the labour (male or female). If we want to see the labour power, we can see only the person who does the labour; but we cannot see labour power separately.

Labourers get down to work and spin the yarn, weave the cloth, plough the land, excavate mines, do teaching or writing. Thus they do various kinds of work for the capitalists. That is, labourers may be those who do manual labour or those who do mental labour. Let there be any number of differences among 'labourers', nonetheless whoever does whatever labour is a labourer. We will be seeing in detail the distinctions between labourers in this chapter as well as in the chapter on 'productive labour and unproductive labour'in volume 2. But, we speak of labourers, many a time in our examples, we are keeping in view only those labourers who do manual labour.

The labour that a labourer gives to the capitalist is whatever labour he does at the workplace as long as he is in the workplace. It is 'living' labour. Whatever the value that labour might have, the whole of it will not go to the labourer as wage, isn't it? How much is it?

Left to himself, the capitalist would like to save the entire amount, without giving anything to the labourers. That fellow would feel very happy if the labourer subsisted on air and worked free. But the capitalist also knows that if it were possible to feed on air, labourers would not come to him. Therefore, he would accept even though unwillingly enough, that "labourers too need food and clothing". But this 'need' has, in the capitalist's view, a number of meanings and limits. That fellow would say, "I too agree that the labourers need food. Don't think that I am inhuman. But does he need such good food? Won't starch-water do? Or, won't jowar gruel do?" He will be very much astonished if the labourers say, "They won't do. We want good food". When it is a matter of 'clothing', the fellow would say, "Won't a loin cloth do?" If it is a matter of labourer's housing, "Won't a hut do?" Whatever is inadequate for himself, the capitalist thinks is quite adequate for the labourers! But the actual strange thing is that they are 'adequate' for the labourers! What does 'adequate' mean? Adequate for what? Adequate to exist as labourers. Labourers themselves prove that, in order to be labourers and do labour, nothing more is required than 'starch-water, loin-cloth and hut' and that labourers can work even without anything more.

It is enough if a man's needs are met to a minimum extent so as to enable him to live and to possess the capacity to work. If a man has to live for some time, he can live on the richest foods or on starch-water. He can live in a big mansion or a thatched hut. He can live by wearing comfortable clothes or loincloth. The only difference is that the person who lives in the former way lives in comfort and lives longer. The second person suffers from half-starvation and ill health and lives shorter life. He will die soon.

The existence of 'labour power' implies the existence of a person with life. It does not mean that he is one who is about to breathe his last. A person who does not have physical and mental health cannot do labour. A person whose wants are not satisfied cannot do labour. Therefore that person should have some health.

But, in the view of the capitalist, healthy existence of labourer means 'existence not in a bed-ridden state.' The mental health of labourers means

'not being insane'. The residence of the labourer means a hut. The food for the labourer means starch-water. The fact that a labourer is alive means that he has not croaked. Thus, the exploiter sees as the labourer's needs the barest minimum with which the labourers can manage to live and 'work'.

What if labourers live with great hardships? What if they die in a short span of life? They will be doing 'work' as long as they live, isn't it? That is enough for the capitalist!

2) The secret of 'surplus labour'

There is no relation between the quantity of labour spent on the things required in minimum for the formation of capacity to do labour in the human body and the quantity of labour which the person can do with the capacity derived by using those things. That is, there are 2 aspects here: (1) the labour spent on the person, (2) the labour done by that person. The second labour is capable of being greater than the first. That is, it is possible for the man to do more labour than the labour spent on his 'maintenance'—Here is, the whole secret of 'surplus labour' given by the person doing labour.

Let us suppose a person needs at least 4 things a day in order to live. There is no need to mention the details of those things here. Let us suppose that all his needs are satisfied at a minimum level by means of those 4 things. With that capacity, he comes to the workplace and does the work. Can he, through that work, produce the same number of things that he had consumed or can he produce more? If the same number of things were again produced by means of 'labour power' as those that had been consumed for labour power to form, i.e. if labour power could not create more than what it had consumed, 'slavery' ('exploitation') would not have commenced at all in history.

Exploiting a person becomes possible only when there is a situation wherein that person produces, with his labour, more than what is necessary for him to live. If a person produces minimally so as to enable him to live, it will not be possible for another person to take away a part of the product from the first. In such a situation, each person would have to produce what is minimally necessary for himself. Which means, all would have to do labour.

A 'change' in such a situation is possible when 'productive forces' begin to develop, that is, when it becomes possible for a person to produce over and above what he minimally requires in order to live.

Let us see this situation in terms of production, labour and value; in these three ways.

Let us suppose that 4 things are minimally needed per day for a person to live. The 'total labour' contained in those 4 things is 4 hours. Let us suppose the value of these 4 hours' labour is 1 rupee.

Let us suppose that the person works 8 hours per day with the 'power' that he derived from using those 4 things. Let us suppose that the 8 hours' labour is the total labour relating to the 8 things. The value of labour of those 8 hours is Rs.2.

If the factors in this example are seen as 'production': It means that the person used 4 things per day for himself and produced 8 things on that day.

If those factors are seen as 'labour':

It means that the person used 4 things per day for himself and did '8 hours of labour' on that day.

If those factors are seen as 'money':

It means that the person used '1 rupee value' per day for himself and produced the value of Rs.2 on that day.

'8 things' with the 'power' derived from using '4 things'.

'8 hours' labour' with the 'power' derived from using '4 hours' labour'.

'Value of 2 rupees' with the 'power' derived from using '1 rupee value'.

The example has to be understood in several of these ways.

It would be possible to exploit a person, or to extract some labour from a person, only when there exists a situation wherein the person could produce something more than what is necessarily spent on himself.

Here 2 things have to be properly understood: 1) Labour power and 2) Labour. These two are not identical. Their 'values' are not the same.

'Labour power' means the capacity of a person to do labour. That capacity is not acquired just like that. It is acquired only when some substances are spent for it. 'Labour' means the 'work' done with that capacity. The person doing labour can live on fewer substances and can produce more substances. That is, the labour power can do more labour than the labour spent on it. In other words, the labour power can produce more value than its own value.

According to our example, the factors relating to the labouring person will be as follows:

Value of labour	Value of labour power	Surplus Value
8 things	4 things	4 things
8 hours' labour	4 hours' labour	4 hours' labour
2 rupees value	1 rupee value	1 rupee value.

The following things will be known from this table.

1. Labour and labour power are not identical.
2. The value of labour power is lower than the value of labour.
3. It is the surplus value that remains after deducting the value of labour. That is, the value of labour power is determined first. That will be of a definite portion. After deducting this portion, what remains is 'surplus value'. Therefore, it (the surplus value) will be determined later.
4. The surplus value increases even if a little bit of the value of labour power is reduced. Or, the 'surplus value' decreases even if a little bit of the value of labour power is increased.

It follows that the labour power has a value of its own. How is that value formed? The value of the labour power is also formed in the same way as the value of any commodity is formed. It means, depending on the total 'labour time' necessary to produce it. (We will see this point in a more detailed manner in the present chapter itself.)

To be brief for the present: To do labour, power is needed and hence the value of labour power is the value of products that are minimally necessary to form that power.

Here, we have to understand one thing very clearly. When we say that the value of minimum necessaries itself is the value of labour power, it means that this calculation is determined merely from the perspective of the capitalist and not from the perspective of labourer. If it is according

to the labourer, the question "How much should a labourer get in return to his labour" itself is wrong. The whole of value of his labour should go to him only. Whatever quantity it be. It is 'no more' and 'no less' than that. As the whole of his labour is his own, the question that "How much labour should go to the person who did the labour" is meaningless. When viewed from the perspective that "Labour belongs to whoever does it", the value of labour power should not be less than the value of the labour. Both should be identical and then those words too will not be different.

But, when seen from the point of view of what is the secret of capitalist's retention of 'profit' after paying wage to the labourer, we will have to arrive at the conclusion that wage is something that is less than the value of labour. Thus, it will be concluded that the wage is the value of labour power and not the value of labour.

Though the capitalist gets work done by the labourer and does not give the entire value of the 'labour', he cannot escape from giving at least the value of labour power. If that too is not given, the labourer will not survive. Then, no labourer will be available to the capitalist.

It means that there is a 'minimum limit' to what the capitalist gives to the labourer. The value of labour power itself is its minimum limit. Whatever is spent on the labourer so as to enable him to acquire the power to give labour, to that extent worker should necessarily be paid. It is not possible to save even that. It means that out of the value of labour, the part that has to be given to labour power will be determined first. Whatever remains after deducting it (the value of labour power) will go to the capitalist. That is why the capitalist always tries to give less to the labourer for he can save the greater part if he gives less. But it is not possible to reduce what is paid to the labourer beyond a minimum limit.

Therefore, the idea that 'the value of labour power is the value of minimum necessaries' is something formed from the capitalist perspective and not from the proletarian perspective. We have to understand this properly.

If we briefly speak of what happens between a labourer and a capitalist, the labourer comes to the work place and gives his labour to the capitalist. The capitalist in turn does not give the labourer the value of labour. He gives the value of labour power. It means that he takes 'more value' from the labourer and gives him 'less value'. Only by doing so can he save 'some value' through the labourer.

The capitalist and the labourer as well do not know about this distinction between labour and labour power.

What appears to both of them is this: the labourer does the labour assigned by the capitalist. The capitalist gives wage to that (labour). They see these 2 aspects only. The actual meanings of those aspects do not appear to them.

3) How does 'value' arise for a 'labour'?

We have seen that 'value' means labour. When we say 'how value is formed for a labour?', it amounts to saying, 'how labour is formed for a labour?', isn't it? This appears to be a meaningless question. But the same value does not exist for all kinds of labour. Due to this reason, the question "how value gets associated with the labour" is not meaningless. While seeing many things about 'labour' and 'value', sometimes we see both of them with the same meaning. Sometimes, we see then with different meanings. Therefore, depending on the context, it is unavoidable to use words like that depending upon the things that we learn.

Labour is of various kinds. Tailoring, weaving, treating (the patients), ploughing, teaching, driving (a cart) and so on. Any labour will have 'value'. But, is the value of all kinds of labour the same, or do some kinds of labour have higher value and some kinds of labour have lower value?

A tailor performed a certain amount of work on a particular day (10 hours). A doctor gave some treatment in a day (10 hours). Both of them worked for only ten hours each. Will the values of these two kinds of labour be the same? Do tailoring labour of 1 hour and treatment labour of 1 hour have the same value?

Will a manual labour and a mental labour of equal magnitude have the same value?

Will a skilled labour and an unskilled labour have the same value?

From what we see in daily life, all kinds of labour do not have the same value. Those who perform different kinds of labour do not get the same 'income'. By 'common sense', we know that certain kinds of labour possess higher value, certain others have lower value, and some other kinds of labour have average value. The income from the medical practice (of a doctor) is higher than that of tailoring work. The income from pottery is lower than that of tailoring. These are facts seen in daily life. What

these facts convey is that all types of labour do not have the same value. But, are these facts that appear in the daily life, 'right'? They are right in this respect. That is, these facts are correct even according to the law of value.

Generally, all the things that appear in daily life are not right. Some are wrong while some are right. Some will be both right and wrong. Things that are totally wrong also appear to be totally right things outwardly. For example, things like interest, profit, rent appear to be very right outwardly. But, what appears outwardly in respect of these things is totally wrong. Therefore, we should not accept anything, as it appears outwardly, without examining it logically. The thing that we see here is "Will the values of all kinds of labour be the same or different?" In this respect, what appears in the daily life is right. This is right even according to the law of value. That is, the value of mental labour is higher than the value of manual labour. The value of skilled labour is higher than the value of unskilled labour. These differences are necessarily existing differences.

However, let us now see why the values of various kinds of labour are different.

Why is there not the same value for 1 hour of tailoring and 1 hour of medical practice? That is also one-hour labour and this is also one-hour labour; isn't it? Why is this variation of higher value for one labour and lower value for another labour though both the kinds of labour have been taken in the same quantity? Is there anything wrong in it? No. There is nothing wrong. It is happening so, as it should be. Whatever should happen, the same is happening.

Both medical practice and tailoring have always been there in the society as a labour possessing higher value and as a labour possessing lower value respectively. There is a necessary reason for being so. However, it is not a 'right' thing that the difference be too much. The fact that 'the values of different kinds of labour being different' is something that happens according to the law of value.

When we say 1 hour of tailoring and 1 hour of medical practice, it means that we are considering the labour time of both kinds of labour based on the average conditions of the respective kinds of labour. Each labour has its own average conditions. Whatever we may call, 'average condition', 'general condition', 'social condition'—they all mean the same.

In order to know as to why tailoring and medical practice do not have the same value, one has to first know how value is formed for any labour.

To do a work, one should first learn that work for some time. It is not possible to do that work unless that work is first learnt. That is, in this example, the tailor and the doctor as well should learn those kinds of 'work' initially for some time.

Certain means of labour and some amount of living labour have to be spent in order to learn any specific type of work. It means that some articles are spent in learning that work. The person who teaches that work (the instructor) should do some labour. Besides, the person who learns too should work for some months or some years in learning the work.

Let us suppose that a person needs 2 years time to learn tailoring work at a general level. Learning of tailoring work involves the following expenses during that period: 1) the expense of clothes used for learning that work; 2) the expenses of instruments of labour such as needles, thread, scissors etc; 3) the labour of the person who teaches that work: (when we say 'expenditure', it is expenditure of products even if we see it in terms of 'money expenditure'. 'Expenditure of money' means nothing but expenditure of products; and along with these expenses, 4) the effort that the learner has to put in for 2 years also constitutes an item necessary for learning the work.

The same is true in the case of 'medical labour'. Let us suppose that it takes 10 years to begin to practise medicine at a general level. The expenditure for learning that labour includes books needed for that education, other instruments of labour and the labour of the teachers during that period. Along with those expenses, the efforts that the learner has to put in for 10 years will also constitute an item necessary for learning the work.

Let us suppose that in our example, an expense of Rs.100 was incurred on tailoring work and Rs.800 on medical (doctor's) work. It means that when compared with the expense incurred on tailoring work, the expenditure incurred on medical work is 8 times more. Moreover, while the tailor has to make effort for 2 years, the doctor has to make effort for 10 years.

Thus, of the two persons, one spends more and another spends less for two different kinds of work. One puts in his effort for longer time and

another shorter time. Thus they learn these two kinds of work respectively. Thenceforth, they can do those kinds of work and will begin to do them.

The income that those kinds of labour receive will not be the same. The income received for medical practice of one day will be higher than that received for the tailoring work of one day. It means that the value of the labour of tailoring and the value of the labour of medical practice are not the same. The value of the medical practice of one hour is higher than the value of the tailoring labour of one hour. In this manner, the values of all kinds of labour differ in various ways.

What will happen if the values of different kinds of labour are not different? Let us assume that all kinds of labour in the society possess the same value. Which means, the same income for all kinds of labour — tailoring, weaving, medical practices and so on! What will happen then? Before considering in detail what will happen, let us work out for ourselves the final result. The equality of values will again become different as usual. It will never happen that the same value will be settled for all kinds of labour. We will now see this point in detail.

Even if we assume that the values of all kinds of labour are identical, the expenses and time spent on learning those kinds of labour will not become one and the same. (In the case of expenses, we will assume that the values of the labour of the instructors who teach different kinds of labour are identical. Yet, the expenses of the instruments of labour will not be the same. Therefore, the expenses and time spent on learning different kinds of labour will not be the same.

What happens if, in spite of the persisting differences in the expenses and time for learning various types of labour, the income (the value of those types of labour) derived by those kinds of labour will become identical?

Those who had been engaged in a particular type of labour by then would continue in it. They would not try to change their type of labour since all types of labour possess the same value. But, a big change would take place in the case of those who set out to learn different types of labour afresh.

Here, a clarification is needed. Let us suppose that the value of 1 hour of tailoring was Re.1 and the value of 1 hour of treatment was Rs.4 at a time when their values were different. Which one of those two values do we take into consideration when we imagine that the values of the 2

types of labour have become one? Does it mean that the value of medical practice has become Re.1 an hour like the value of tailoring? Or, do we mean that the value of tailoring has become Rs.4 as the value of medical practice? Which particular value do we consider? —Hence, we have to see both the expenses.

The first example: Let us suppose that medical practice too has come to have a value of Re.1 an hour. What will happen then? It will not be possible to learn a type of labour involving greater expenditure of money and time, when its value is the same as that of a type of labour involving lesser expenditure of money and time. Let us suppose that a person has a special interest for medicine. Also, let us suppose that he does not have any objection for spending more and earning less. Yet it will not be possible for that person to learn medical profession. Because parents should have enough income for their children to learn any education. If the parental income derived from the tailoring labour is small, the children of those parents will have the scope for learning only tailoring (only such less expensive types of labour) and there will be no scope for learning types of labour that are several times more expensive. In such a situation, students will not be drawn towards medical profession as in the past in the society. That is, the making of new doctors comes to a halt. Likewise, a situation arises wherein more tailors come into being.

As the number of doctors becomes less, only those few will have to satisfy the needs of the society and then the value of medical practice certainly will go up.

Similarly, on the other hand, tailors will increase in number. The value of tailoring labour will necessarily fall because more people will work to satisfy the tailoring needs of the society. Which means, on some day, the situation wherein there are no distinctions between the value of tailoring and the value of medical science will be disturbed and distinctions will necessarily appear again after some time. The entry, of persons into the learning of medical profession, begins. Moreover, the number of those who learn tailoring gets reduced. Again, the whole situation of differences will recur.

The second example: Let us suppose that tailoring too got the same value of Rs.4 an hour as medical practice. The essence of this is also similar to what was seen in the first example. Now there is a scope for those who want to learn medicine because the income of the parents is higher. But when all kinds of labour have the 'same value', many people

will not find it necessary to learn those kinds of labour which involve more expenditure and more time. Only those who have special interest will enter those types of labour. The rest of them will be inclined toward those kinds of labour that can be acquired with minimum expenditure. Even if those who are exclusively interested in medicine enter medical education, they will be in a small number. Owing to this, the making of doctors, in such a number that the society requires, will come to a halt. The whole situation will become like the one in the first example. After some time, the difference between the value of medicine and the value of tailoring will again be as before.

Thus, even if we imagine that the values of all kinds of labour have become equal from a particular day, the values of all kinds of labour will necessarily become different after some period of time.

To the question of why the value of tailoring is lower, the answer is "Because the expenses and time to learn those kinds of labour will not be the same but different".

Only because of this reason, the value of medical practice will be higher and the value of tailoring will be lower. Similarly, the value of a mental labour is higher while the value of a manual labour is lower. Again within that, the value of a skilled labour is higher while the value of an unskilled labour is lower.

"The values of 2 kinds of labour being higher and lower even if they are taken in the same quantity"—To understand this fact in a still easier manner, we will now see 2 small examples.

The first example: Let us take a bag of cotton and a bag of sand. Both the bags are of the same size. Will their weights be identical since the cotton is of one bag and the sand too is of one bag? No, they won't be. The difference lies in the qualities that caused 'weight' to the two substances. If we assume that substances of the same size should have equal weight, it amounts to forming opinions about 'weight' by looking the outward appearance of the substances. Only when the internal qualities that cause the quantity in weight in the substances are seen, one can know the fact that the weights of the substances will not be the same even though their sizes are alike.

The same is the case with the values of different kinds of labour. Though two different kinds of labour are of the same quantity, their values will not be the same.

The second example: Let us suppose that we took 2 rubber balloons of the same size, and pumped more air into one and less into another. The molecules of the air in the second balloon are thick and compact. The values of different kinds of labour performed in '1 hour' may also be imagined in the same manner. In an hour of labour having higher value, the 'atoms' of the value should be imagined as dense in the same manner as the molecules of the air pumped into the balloons in great quantity. As the air has physical properties, it is clearly seen in a given place whether it is thin or thick. The value does not have such physical properties. We have to understand only by imagination that it is thin at one place and thick at another place.

If we consider 10 types of labour in the same quantity, their values may be of 10 kinds. If we fill air into 10 rubber balloons of an equal size in different quantities, the air will be very thin in one and very thick in another. In others, it differs in various ways. The air in two or three balloons might even be similar.

The same is the case with 'value'. **The values of certain kinds of labour might be identical. Certain kinds of labour might have low value and certain others high value.**

As the productive powers related to the learning of various kinds of labour go on increasing gradually, the expenses and time necessary to learn those kinds of labour would definitely go on increasing. Yet, the difference in the values of different kinds of labour will remain as ever since those changes apply uniformly to all kinds of labour. If we consider tailoring and medical practice, the conditions concerning their acquisition will be different even after 100 years as they were different 100 years ago. That is, the existence of difference between the value of tailoring and the value of medicine is an indispensable thing. However, it is not possible to determine that difference as 'so many times'.

If we consider a labour in isolation, its value too will decrease when compared with the past provided the conditions concerning its acquisition become cheaper. This is also similar to the decrease in the value of a commodity. Whatever is applicable to the value of the commodity, the same will apply to the value of the labour.

Let us suppose that a commodity was produced 6 months ago with the value of 10. Let us also suppose that a value of 8 is sufficient to make the same commodity now. If the commodity produced 6 months ago is sold now, its value would be in accordance with this new time and not

according to the time spent on its production. Both the old commodity and the new commodity should fall under the category of any one value: whether according to the value of the old commodity or the value of the new commodity or the value that lies between the two.

The same is the case with the value of labour. A person might have learnt some labour either 10 years ago or 20 years ago. The value of that labour will not be based on the expenses incurred at the time of learning that labour. It depends on the conditions of the period of time during which that labour is performed. New students would regularly go on learning that labour. Those expenses and time vary according to the new conditions. Therefore, the value of that labour too will be based on the new conditions.

That the labourers to be different is indispensable. That the values of labour to be higher or lower is also indispensable. Hence it is indispensable for the values of the labourers to be higher or lower.

Let us note some of the observations of Marx on such aspects that we have so far seen, namely, value of labour, value of labour power and differences among values.

"In order to modify the human organism, so that it may acquire skill and handiness in a given branch of industry, and become labour power of a special kind, a special education or training is requisite, and this, on its part, costs an equivalent in commodities of a greater or less amount. This amount varies according to the more or less complicated character of the labour power. The expenses of this education (excessively small in the case of ordinary labour power), enter pro tanto into the total value spent in its production"—Marx (Capital-1.pp: 168-9. Moscow edition,1974).

".....in the creation of surplus value it does not in the least matter, whether the labour appropriated by the capitalist be simple unskilled labour of average quality or more complicated skilled labour. All labour of a higher or more complicated character than average labour is expenditure of labour power of a more costly kind, labour power whose production has cost more time and labour, and which therefore has a higher value, than unskilled or simple labour power. This power being of higher value, its consumption is labour of a higher class, labour that creates in equal times proportionally higher values than unskilled labour does. Whatever difference in skill there may be between the labour of a spinner and that of a jeweller, the portion of his labour by which the jeweller merely

replaces the value of his own labour power, does not in any way differ in quality from the additional portion by which he creates surplus value. In the making of jewellery, just as in spinning, the surplus value results only from a quantitative excess of labour, from a lengthening out of one and the same labour process, in the one case, of the process of making jewels in the other of the process of making yarn.

But on the other hand, in every process of creating value, the reduction of skilled labour to average social labour, e.g., one day of skilled labour to six days of unskilled labour, is unavoidable. We therefore save ourselves a superfluous operation, and simplify our analysis, by the assumption, that the labour of the workman employed by the capitalist is unskilled average labour"—Marx (Capital-1,pp:191-92.)

What we have seen in this quotation is the following: All kinds of labour do not have the same value. Certain kinds of labour have higher value. Certain kinds of labour will have lower value. The reason for this is simply that the conditions of learning their labour powers are different. Whichever labour there is in the 'work place', it gives the 'surplus value' according to its value. Though, in the work place, there will be many kinds of labour such as mental labour and manual labour and among them skilled labour and unskilled labour, we merely take the general manual labour as a representative of all kinds of labour.

Will the expenses that are incurred on 2 kinds of labour be different even in the 'new society' where 'value' is abolished (where money calculations are abolished)? Definitely, they would be different.

Does the situation, wherein values of various kinds of labour are different, exist only in exploitative societies or will it also remain as it is in the 'new society' as well? If we consider a mental labour and a manual labour, the expenses and time spent on learning them will be different in any society.

That is, the values of various kinds of labour will be different in the new society also. In such a situation, it so happens inevitably that the income of a person who does manual labour will be lower.

Then, how is it possible to dispense with the value calculations? It is possible. We will see this point also, later, in the present chapter, in detail.

Now, we will see few a more aspects concerning the value of labour power.

4) Determinants of value of labour power

They are as follows: 1) The specificity of a given labour power, 2) The subsistence of the person who performs labour, 3) Reproduction of labourers and 4) The cultural level at which the labourers live—The products which satisfy these 4 kinds of necessaries are 'necessaries of daily life' to a person (male or female) who does labour. All these products together constitute 'value of labour power'. We will now see these determinants successively.

(1) The specificity of the labour power:

We have already seen this aspect. When we speak of 'specificity', whether we call it 'specificity of labour' or 'specificity of labour power', it means that we are speaking of the same thing. We know that labour is of various kinds—mainly with such distinctions as manual labour and mental labour. Again, there are such distinctions as skilled labour and unskilled labour among them. 'Skill' does not mean that the same kind of labour is performed well by one person and not well by another person. It is not concerned with such a distinction. It is concerned with wholly different kinds of labour. Though pottery and tailoring as well are manual labour, tailoring stands as a skilled labour when we compare the two of them. Similarly, though teaching and medical practice are mental labours, of the two, the medical practice stands as a skilled labour.

If we speak of 'use values' concerning labour, all kinds of labour are necessary for human life. In a context where tailoring is required, 'excellent' medical practice is of no use. The need is not satisfied. Similarly, where what we call 'unskilled labour' is required, the availability of 'skilled labour' is of no use in that context. Seen from the viewpoint of 'use value', one labour is not greater and another not lower. But, the whole thing that we are seeing here is not the 'use values' rendered by various kinds of labour. It is about their 'values'.

When we take the values of labours into account, the 'specificity' of labour itself constitutes the principal determinant that makes values of labour distinct.

A person might have already spent all the expenses connected with a given labour at the time of acquiring that labour. Once he began to do that labour, there won't be any new expenses to learn that labour if it is a 'manual labour'. But, in respect of certain kinds of mental labour, one has to learn new things time and again. For example, a doctor has to learn

new things always. For that, he would incur certain expenses in order to refer regularly to the medical journals. Such expenses are included in this factor. Moreover, we have to also see another factor. We will see it later.

(2) Subsistence of the labourer:

All the things concerning food, clothing and housing are included in this. These needs depend upon the nature of the climate in which the labourers live. The requirements of clothing and housing will not be the same for the labourers living in cold regions and the labourers who live in a hot region. The labourers in a cold region need a house (into which chilly air cannot enter) and thick clothes. They cannot live without using boots, sweaters and rugs. The labourers of hot regions can work even without shoes. Their clothing needs are satisfied with a minimum of cotton clothes. Even roofless huts satisfy their housing need. That is why the needs of labour power vary with the natural climate. With regard to the food, it depends upon the food habits and compulsory needs of the respective regions. If you take a tailor of a cold region and a tailor of cold region, their needs of subsistence depend upon the natural differences.

If we now consider different kinds of labour of the same region, that is a tailor and a doctor in a cold region or in a hot region, there need not be any difference in the subsistence of these two persons. Both have to eat belly-full. But there will be much difference in this aspect in an exploitative society. We will see later why they exist.

(3) Reproduction of the labourers:

The 'labour power' of a labourer will come to a halt in his/her old age and it will extinguish with his/her death. There should be some way of securing labourers constantly if 'capital' has to function always. 'Capital' will have to fall into disuse if it cannot secure new labourers as soon as one generation of labourers becomes old or dies out. The expenditure necessary to the subsistence of a future generation of labourers, that is the value that is enough to bring up the offspring of labourers should also be added to the value of 'labour power' if capital has to remain active?

When we speak of bringing up of the generation, it includes 2 aspects together, namely, the physical subsistence of the children and making them into a future generation of labourers. As the expenditure necessary for the subsistence of children is part of the value of labour power of the

parents, the expenditure necessary for the second aspect too should be derived from the value of labour power of parents only. Children require certain kinds of technical education in order to learn mental labour. Certain expenses are incurred even on learning manual labour. Therefore, the expenses connected with the making of children as future labourers too have to be derived from out of the value of labour power of the parents. Hence, this expenditure will be a part of reproduction of labourers.

However, we have to understand one point very clearly here. This does not mean that the parents can make their children into whatever kind of labourers they wish. If parents doing manual labour wish to make their children as those who perform mental labour of a higher level, they cannot do so. The value of the labour power of those parents will not include expenses adequate to do so. That is, the parents performing manual labour can only get their children trained as manual labourers. Their income can only support enough expenditure for such training. Similarly, the parents performing mental labour will be able to make their children as mental labourers. These parents will invariably have their children educated as mental labourers and will not bring them up manual labourers. On the whole, this means that manual labourers coming from manual labour family backgrounds and mental labourers coming from mental labour family backgrounds will always be available. The fact that the children are generally confined to the same kinds of labour to which their parents are confined will be proved by the values of the labour powers of their parents themselves. The values of the labour powers of the parents determine, like a boundary line, the future course of the children in their childhood itself. The off spring of manual labourers becomes manual labourers again and the off spring of mental labourers becomes mental labourers again. This is a general law. There might be some exceptions in certain special conditions and they are insignificant.

We have to understand the whole thing by adding all these points to the determinant 'reproduction of labourers'.

Further, another issue that is included here is the care of the old people of the families of the labourers. The aged people are past labourers. The children should undertake the maintenance and care of their parents as long as they live. Those children are the labourers who are presently doing labour. Therefore, the expenditure of maintaining old people should be part of those who are presently doing labour.

Let us suppose that the past capitalist has made arrangement of paying pension to these old people. If this happens, that pension is part of the labour that those old people performed in the past. Some part of those wages is kept aside and the same is paid at a later period of time. If such arrangements are there, every generation is maintaining itself even in its old age.

Or, if there is no such arrangement as pension, the children should maintain the old-aged parents. This condition applies to every generation.

Here, we treat it as a general rule that there is no system of pension in the case of manual labourers. Therefore, the expenditure connected with the maintenance of old people will become a part of the wages of their children.

However, the manual labourers get less than the mental labourers with respect of the value required satisfying this need. The maintenance of the old people in the labourers' families appears as a completely unnecessary expenditure to the capitalist. "Those old fellows can as well live by begging on the roads", says he. He leaves to the labourers even the responsibility of giving alms to the beggars. Beggars cannot reach even the shadows of the richest.

They beg alms from the poorest labourers. We should include this maintenance of the old people in the determinant 'reproduction of labourers'.

(4) Cultural level of the society in which labourers live:

This includes education, civilisation, arts and such other things. If we consider 'slave-society', that society as a whole did not have education. Where the masters themselves have no education, there won't be any question of the education for the slaves. There is no need to include it as an expense in the 'value of labour power'. If we consider capitalist society, labourers of that society require education. Though it may be very little, this society has to spend something on the education of labourers. Things such as newspapers and radios (if they are being produced in the society) might well be the daily needs for labourers, depending upon the 'civilised' usages in a country. There may not be even one labourer's family out of a hundred that uses a newspaper as a necessity in a particular country. Even in those countries where newspapers are regarded as daily needs nowadays, there might not have been any expense on newspapers when a thing called 'newspaper' was not there.

As the production of newer use-values goes on increasing, in the society, use values entering into the life of a labourer will also increase. If we assume that the labourers were using 10 things a day on an average at one point of time, they might be using 2 or 3 more things also as daily needs after some years. The needs of labourers won't be always the same as in the past.

They also keep on increasing. However the things that increase will be in the nature of basic needs indispensable for living. Labourer has to get the value that is adequate for these growing needs.

In this manner, the products connected with the cultural aspect too should be included under the value of the labour power. However, we should not forget that whatever determinant we may consider, the products that labourers receive will be at the minimal level.

Thus, after having reduced each one of the needs of the labourers to the minimal level and left out some of the needs, whatever things the labourers indispensably need may all be reduced to the expression 'necessaries of daily life'. Whatever labour time is required to produce these necessaries of daily life, that labour time itself is the value of labour power.

There will be a difference between the value of the labour power of 'children' and the value of the labour power of the 'adults'. There will be a difference between the value of labour power of women and the value of the labour power of men depending on certain natural needs. As conceiving and delivering children takes place through woman, the specific values related to those needs must go into the value of the labour power of woman. But we are not considering such specificities here. We have seen here only the general principle of the value of labour power.

5) How to calculate 'necessaries of daily life'?

Rice, vegetables, milk, firewood and the like are things that are spent everyday. Matchboxes, soap and the like are things that are spent once a week. Clothes, vessels, medicines and the like are things that are spent in certain intervals of time. House-rent is a monthly expense. A labourer's family thus consumes certain things that are spent each day and certain other things that are spent once a week or a month or a year. They purchase some of them (and spend) every day and others once in a week or a month or a year. The yearlong income of that family, on the whole, must be sufficient to meet the yearlong expenses.

Let us suppose that in a labourer's family, not only the husband but also the wife works outside for a capitalist. Then, both the wife and husband get their respective 'value of labour power'. Then, that family would be able to use more products than when it was with a single income. The law of value of labour power will not become invalid just because of this. The law—that if a labourer's family gets 2 values of labour power, each one of them produces surplus value for the capitalist— will not change.

To make the example simple, we are examining the value of labour power with the assumption that in a labourer's family, only one person does the labour.

When we speak of a labourer's family, a certain minimum number should be taken as members of that family. Let us take that minimum number as 6 including the old people. The expenses incurred on those 6 members of the family may be calculated as follows.

1) Articles needed daily × 365 days. When seen thus, the required number of the articles for a whole year will be known.
2) Articles needed every week × 52 weeks. The required number of the articles for a whole year will be known.
3) Articles needed every month × 12 months. It will be known how many of these are needed for a year.
4) Articles needed once in a year.

If we combine the whole value of all these articles and divide it into 365 parts, we get the value needed for 1 day.

However, we have not added 'holidays' here. No person can work daily without any 'holiday'. 'Holidays' are also the minimum needs. 52 Sundays per year. All those have to be holidays. In addition, if another 20 holidays are also added per year, a total of 72 holidays will be there. When 72 are deducted from 365, we get 293. The income received during these 293 days should be sufficient for the whole year. Therefore, when we divide the mass of articles needed in a year by 293, we get the minimum value required for one day. That is, a labourer's family should at least get an income of so much value. This value itself will be the 'value of the labour power' of the 'person who maintains the family'. It may be a 'woman' or a 'man'. It is simply this 'value of labour power' that the capitalist gives in lieu of the labour that he gets done by the labourers.

If the 'value of labour power' were calculated in terms of 'money', the same would be the 'wage'.

If the members in a labourer's family are more than 6 of our earlier example, the number of products which each of them gets through that 'value of labour power' will decrease. Or if there are less than 6 members in that family, the products that each of them gets will increase. If more than one person work in that family, that family will be able to consume a larger number of products. All these constitute a specific situation.

We have seen that it is 'wage' if we calculate the 'value of labour power' in terms of 'money'. With that 'wage', a labourer's family will buy things that are necessary for it. When it buys like that, that family will not get a greater number of products than those it was using until then. That is, the number of products, which a labourer's family uses, will neither increase nor decrease owing to the 'wage' system.

When the 'wage' system begins in a country, the level of the wages will depend on certain factors.

The 'wages' of that country depend on such circumstances as: what are the circumstances under which the labourers of that country began to work based on the wage system? That is: what have been the habits of the labourers in respect of using articles and what have been the amenities that they were availing themselves of? What was the level of development of productive forces?

All the labourers do not perform the same work. They do many kinds of labour. Mainly with such distinctions as manual labour and mental labour. That is, labourers constitute a certain sections. Each section will have one 'value of labour power' (one type of 'wage'). Whatever applies to one section will also apply to all the sections.

So far, we have seen what is meant by the 'value of labour power'. 'Wage' itself is 'value of labour power'. Why can't we treat wage as 'value of labour' instead of as 'value of labour power'?

If wage itself is 'value of labour', then the value of the commodity will be simply the totality of 'means of production' and 'wages'. That is, it will be as the totality of 'c+v' only. Let us suppose that the capitalist gets only c+v when he sells the commodity. He takes back 'c' and gives away 'v' to the labourers. Then, how would the capitalist get profit etc.? Therefore, 'wage' itself will not constitute 'value of labour'. It means that the 'value of labour' will invariably be more than the 'wage'.

Then how to calculate the 'value of labour'? To explain briefly, the 'value of labour' is that total which we get when 'surplus value' is added to the 'value of labour power'. When 'surplus value' exists in the society, it is not possible to calculate the 'value of labour' without taking it into account and without relating to it. The 'value of labour' will be greater than the 'value of labour power'. The difference will be as great as the amount of 'surplus value'.

We have to understand properly how categories of 'value of labour' and 'value of labour power' exist in societies based on exploitation and not based on exploitation.

Now, let us see the difference between the 'value of labour', which the labourer gave to the capitalist, and the 'value of labour power'which he took as the 'wage' in terms of 'money' calculations.

Let us suppose that a weaving-labourer does work for 12 hours per day for a capitalist. Let us also suppose that the value of 1 hour of weaving labour is '1 rupee'. If the value of 12 hours of weaving labour is 12 rupees, the whole of that value won't come to the labourer. Which means, it is not possible for the 'wage' of that labourer to be Rs.12. Only the money, which is required to purchase the minimum 'means of subsistence', will be counted as the 'wage'.

Let us suppose that it involves 6 hours of labour to produce minimal 'necessaries of life' which that labourer requires for one day. If the capitalist has to give value of labour power to this labourer, he has to give 6 rupees since the value of 1-hour labour is 1 rupee. That is, this labourer has 6 rupees wage in the 'labour market'. As per this example, the capitalist gives 6 rupees to the labourer who did labour of 12-rupee value. As the labour of this labourer produces the new commodity, a value of 12 rupees which this labourer gave will also add to that commodity along with the value of the 'means of labour.' The whole of that value comes to the capitalist's hand when he sells that commodity.

But, that fellow gives only 6 rupees wage to the labourer. Then, another value of 6 rupees remains in the capitalist's hand. The same is the value which the labourer gave in 'excess' over the value of his wage.

In this example, the labourer can, in fact, stop the work after doing it for 6 hours. By then he will have completed the work equal to the value of the wage that he gets. But, as there is an agreement with the capitalist that he has to do the work for 12 hours, the labourer works for another 6

hours also. He works for a total of 12 hours and produces a value of Rs.12.

The wage of that labourer is Rs.6. That is, for that labourer, the things having a value of at least Rs.6 daily are enough to stop the production of 'labour power'. But, that labourer can do labour for more than 6 hours with the labour power, which he derived from using the things, made with 6 hours of labour.

In this example, the 'labour power' having the value of Rs.6 rendered the labour having the value of Rs.12. A value of 6 rendering a value of 12 is a strange thing. But, the commodity called labour power is not an inanimate thing, but a living human body. That is why this strange thing is possible. The human being uses the minimal labour necessary for his subsistence and can do more labour than that.

By now, one thing should have become clear: **'labour power' and 'labour' are not one and the same. Labour power means the power present in the labourer's body to do a particular labour. 'Labour' means 'work' done with that power.**

As labour power and labour are not one and the same, the value of labour power and the value of labour are also not one and the same.

Value of labour power	=	Value of the minimal necessaries of life of the labourer. This itself is wage.
Value of 'labour'	=	The value of the work done by the labourer. If the wage is deducted from this value, what remains is the 'surplus value'. Therefore, the combination of 'wage' and 'surplus value' is the 'value of labour'.
Commodity value	=	Total labour spent for it.
Commodity value	=	Not merely the 'means of labour' and wage.
Commodity value	=	Not merely the 'means of labour' and 'value of labour power'.
Commodity value	=	Value of means of labour and value of labour.
Commodity value	=	Value of dead labour and the value of living labour.
Commodity value	=	Means of labour, wage and the surplus value.

Every wage gives one 'surplus value' to the capitalist.

If a day's wage yields a day's surplus value, a week's wage will give a week's surplus value and a month's wage will yield a month's surplus value.

If both man and woman in a labourer's family do labour for the capitalist, that family will get 2 wages. We have seen earlier that the family, which gets 2 wages, can use more products than the family, which gets one wage.

However, it does not mean that all the calculations of the value of labour power change if one family gets 2 wages.

It is a well-known fact that a labourer's family finds itself in constant poverty even if every one of its members, even the children, do work. Whether a family gets 2 wages or 4 wages, it will not upset the principle of the 'value of labour power'. If one wage gives one 'surplus value' to the capitalist, 2 wages yield '2 surplus value'. 4 wages yield '4 surplus value'. Therefore, the fact that 'wage' is always less than the value of the labour given by labourer won't change irrespective of whether the labourer's family gets 2 wages or 4 wages.

Neither the capitalist nor the labourers know the fact that 'wage' simply means the value of labour power but not the value of labour.

All these secrets will reveal themselves when the issues are examined with the understanding that 'value means labour only'.

When a capitalist starts an 'industry', he does not set out afresh to list the needs of labourers in order to decide how much wages he might pay them. These calculations are always readily available in the society. Paying a particular kind of wage for a particular kind of labour is an ongoing practice in society. Any capitalist would pay wages to the labourers of the type that he requires, in accordance with whatever wages are prevailing in the 'labour market'. Depending on the details of the situation—that is, whether it is somewhat difficult to get the type of labourers of his requirement or whether it is very easy to get labourers—he would either increase or decrease the wages according to the circumstances. Thus, the changes that take place in the wages depending upon the circumstances at a given point of time are all secondary things. These are 'external' reasons for the formation of wages. But, the 'internal' cause of wages is nothing but the value of labour power.

The value of labour power itself is 'wage'. It may be paid either in 'cash' or in the form of any 'produce'. However, when a 'produce' is given as 'wage', the value of that produce is calculated and the same is given accordingly. Which means, this too means payment of wage in terms of 'money'. Whether you call it 'wage' or call it 'salary', they mean the same. 'Wage labourer', 'salaried labourer' and 'coolie' mean the same. 'Job' is only a more sophisticated name for wage . 'Salary' is the sophisticated name for 'wage'.

The capitalist pays wages to the labourers once in a week or once in a month. If weekly wage is the value of one week's labour power, the monthly wage is the value of one month's labour power. There will be no change in the nature of the wage, whether it is daily wage or monthly wage.

It is only after the completion of the work that the labourers get their wage but there would never be a situation where wages are paid before the work is done.

In this context when we are examining the value of labour, it is necessary to recall the value of 'money labour' (what we have seen in Part One).

6) Value of 'money-labour'

The category of money in the society has been formed to facilitate exchanges. The gold itself is 'money' (the general equivalent). The gold too is an article made of 'labour'. The labour, that produces gold, is itself 'money labour'. The value of that labour is itself the value of 'money labour'.

The values of all kinds of labour do not stand at the same level.

Certain kinds of labour will have higher value and certain others will have lower value.

The 'money labour' too will have some value or the other.

Money, while exchanging with all commodities, tells us how much value (how many rupees) does a commodity have? How does money do this job? What does it mean when we say that money tells the values of other commodities? It means that the money labour measures the values of various types of labour through its value. Which means, the value of money labour is a measure of the values of all other kinds of labour!

A kilo-stone of iron, by means of its own weight, measures various substances of various weights such as cotton, Flour, tamarind and jaggery and tells their weights in 'kilos'; doesn't it? The labour of producing gold behaves exactly like that; it measures other kinds of labour of various values by means of its own value and expresses their value in 'money' terms.

Let us now see some examples about these measurements. Before seeing these examples, we have to first decide, for the sake of an example, what are the values of the money labour and other types of labour .

Let us suppose that it took 1 hour of labour to produce gold weighing '1 gram'. Let us also suppose that the gold weighing 1-gram has been turned into a 'coin' and named a 'rupee'. It means that it took a total 1-hour of labour to produce that rupee. That is, the value of 1 hour's gold labor=Re.1. 'Gold labour' itself is 'money labour'.

The values of all kinds of labour will not be the same as the value of gold labour. While some kinds of labour have higher value than that, some others will have lower value and yet others will have equal value. As these differences exist among the values of various kinds of labour, the value of each will be known in rupees only if they are compared with the value of gold labour.

Let us suppose that the value of tailoring-labour is lower than the value of gold-labour; say half of it. Now, how many rupees will be the value of '2 hours of tailoring'? We have to convert this tailoring-labour of 2 hours first into gold labour and see how many hours it constitutes? If we so convert it, the 2 hours of tailoring labour will be equal to 1 hour of gold-labour. It means that the value of 2 hours of tailoring-labour has the same amount of value, which the 1-hour of gold -labour has. If we see tailoring-labour as tailoring-labour, it is only 2 hours of labour. But, if we measure it with the gold-labour, it becomes '1 hour labour' only. As the value of 1 hour's gold labour is Re. 1, the value of 2 hours of tailoring labour=Re.1.

Let us suppose that the value of the medical labour is higher than the value of gold labour. Let us also suppose that it is 4 times higher. Then, how many rupees will be the value of 1 hour of 'medical labour'? First, we have to see as to how many hours will it be if we convert 1 hour of medical labour into gold labour.

1 hour of medical-labour = 4 hours of gold labour.
1 hour of gold-labour = 1 rupee.
4 hours of gold-labour = 4 rupees.
1 hour of medical-labour = 4 rupees.

Tailoring is a specific labour. Medical treatment is a specific labour.

If we measure a specific labour with the 'money-labour', we will know the value of that specific labour in terms of 'money' calculation.

To find out the value of an article, we measure it by 'money'; isn't it? When measured so, we will know that 'the value of this article is so many rupees'. The same is the case with the values of various kinds of 'labour' also.

The issue of measuring the other kinds of labour with the 'money-labour' seems to be very confusing. But, there is no confusion in it. Measuring the values of other kinds of labour with the 'money-labour' simply means, measuring the other kinds of labour by means of the value of the 'money labour'.

In order to understand the difference between a specific labour and the 'gold-labour', the example of weighing is a very simple example.

(1) Just as there will be a weighing stone and, in front of it, substances of different weights brought there to be weighed, there will be a vessel (a rupee produced by the gold-labour) that measures values and, opposite to it, various kinds of labour possessing different values.

(2) Just as the weighing stone has some weight of its own, the rupee which measures value also possesses some value of its own.

(3) Just as all the substances are being weighed have different weights, all types of labour that are being measured too will have different values. We have to combine all these 3 points and understand them accordingly. That's all.

In order to weigh one kilo, one bagful of cotton must be there. If it is iron, a handful will do. If it is flour, it has to be more than iron and less than cotton in size.

Similarly, in order to be equal to '1 hour of gold labour', the labour of a greater number of hours is required, if it is a labour whose value is less than gold-labour. If it is a labour whose value is more than that of gold-labour, a labour of less than 1 hour will be enough.

Let us now see the values of certain kinds of labour in terms of money. Let us consider 5 types of labour: ploughing, tailoring, weaving, teaching and medical practice. Let us also suppose that their respective values are double in that order. That is, the value of the second is two times more than that of the first. The value of the third is again two times more than that of the second. Let us suppose that the same is the same case with the remaining types of labour. But, let us suppose that out of the five, only weaving and tailoring have the same value. That is, these 5 types of labour possess 4 kinds of value. Let us suppose that the value of gold labour is equal to the value of ploughing-labour. Let us also suppose that the value of 1 hour of gold labour=Re.1.

(In this example, we have assumed that the value of one labour is double the value of another labour. This is merely to make our example simple. But, this is not to say that the values of different kinds of labour normally allow with so much difference and that such differences are indispensable. To assume the differences to be double is indispensable to understand the matter easily). Having set the examples thus, we have to do some calculations.

The value of various kinds of labour should be expressed in money.

	hrs.
1) Ploughing	5
2) Tailoring.....	8
3) Weaving	11
4) Teaching.....	10
5) Medical practice....	3

1) How many rupees does the value of 5 hours of ploughing labour consist of? We have assumed that the value of ploughing and the value of gold labour are the same. Therefore,

	Rs.
the value of 1 hour's gold-labour...	1
the value of 1 hour's ploughing	1
the value of 5 hours' ploughing	5

2) How many rupees does the value of labour of tailoring consist of? According to the example, the value of tailoring labour is double the value of ploughing labour. Therefore,

	Rs.
the value of 1 hour of tailoring labour	2.
the value of 8 hours of tailoring labour ...	16.

3) How many rupees does the value of 11 hours of weaving labour consist?

According to the example, the value of weaving is equal to the value of tailoring. Therefore,

	Rs.
the value of 1 hour's weaving	2.
the value of 11 hours' weaving ...	22.

4) How many rupees does 10 hours of teaching labour consist of? According to the example, the value of this labour is double the value of weaving. Therefore,

	Rs.
the value of 1 hour teaching labour	4.
the value of 10 hours teaching labour	40.

5) How many rupees does the value of 3 hours' medical labour consist of? According to our example, the value of medical labour is double the value of teaching labour. Therefore,

	Rs.
the value of 1 hour of medical practice	8.
the value of 3 hours of medical practice ...	24.

In this manner, the value of any labour will be seen in the form of money through the value of gold labour.

If some labour is performed in a 'work place', its value will depend on 2 things.

1) Based on the value of that labour per hour or a day.

2) Based on the time during which that labour was performed.

If the value of tailoring per hour is Rs.2, it is Rs.10 per 5 hours. It is Rs.12 per 6 hours.

Let us suppose that two independent producers performed 2 types of work and earned ten rupees each. Does it mean that the two of them performed different kinds of labour of the same value? We cannot say whether they have done work of the same value or of different values because no mention has been made of the duration of their labour. One of them might have performed a labour with less value for a longer time while another might have performed a labour with more value for a shorter time. One would get Rs.10 if he does for 5 hours, a labour whose value is Rs.2. Similarly, one would get Rs.10 even if he does for 2 hours, a labour

whose value is Rs.5. Therefore, even if the income of two persons is identical or different, we cannot grasp the details and duration of the labour which they perform by looking at their income.

Let us consider two 'wage labourers' instead of independent producers. Let us suppose that both of them are performing different kinds of labour. But, the duration of the work is the same. Yet, their wages will be different. Each will have his value of labour power as his wage. As the values of different kinds of labour power are different, their wages too would be different. To say the same thing in other words: As the kinds of labour, which they perform, are different, their wages will be different.

Similarly, the surplus value, which they give, will also be different.

We have to briefly say once more what we have seen with regard to the value of labour and value of labour power.

* Values of all labours will not be identical; that is, they will not be 'equal'. Some will be higher and some will be lower.
* The internal factor that gives higher value or lower value to a given kind of labour is the value of labour power.
* The value of labour power depends on such factors as the expenditure and the time that take to form that 'labour power'. It follows that values of all the labour powers will not be identical.
* As the 'value of labour powers' are different, the 'values of labours' too will be different.

The value of different kinds of labour being different is rational. However, it does not mean that the whole of it is proper however much that the difference is. It does not mean that: in our daily life, the difference between the income of a doctor and the income of a tailor is proper, that it should remain so and that the whole difference is being formed according to the specificities of those kinds of labour. The difference in the values of various kinds of labour is indispensable only to a certain extent. That difference being very much is caused due to the reasons favourable to exploitation.

'Factors favourable to exploitation' are external factors. These external factors will disappear when there won't be exploitation. We will see these things later in other contexts.

We have seen that the value of labour and the value of labour power in the exploitative society are not the same. The value of labour power means 'wage'. The value of labour means something, which we get by adding surplus value to that wage. It is the only way to calculate the value of labour.

However, if we imagine a society where there is no surplus value, let us suppose that in that society wage alone will appear and the surplus value does not appear. Then, how can we calculate the value of labour? The absence of surplus value implies the absence of a class that does not perform labour. It means that all persons would perform labour and each one would get the fruits of one's own labour. Then, the whole of value of labour would constitute 'wage' only. It would also mean that both the value of labour and the value of labour power are equal.

But, even in such a society (that is, in a society where one's own labour would be spent for one self), the value of labour of a person would not be like a single mass which that person receives. Even then, the value of labour would necessarily be in 2 parts, namely, 1) the portion that goes to the individual, and 2) the portion that goes as a social fund. We will be seeing all these details in relevant contexts as we proceed further.

For the present, if we consider capitalist society (if we take any society based on exploitation), we need to understand that the value of labour and the value of labour power are not the same and that the value of labour power would necessarily be less than the value of labour.

'Labourers' mean not only those who perform manual labour but also those who perform mental labour. All are labourers whoever does whatever labour.

What the labourer gives to the capitalist is : value of labour.

What the capitalist gives to the labourer is : value of labour power.

This principle applies to any labourer who performs any labour.

The wages would be different according to the differences between the kinds of labour. Similarly, the surplus values that are produced through those wages too would be different.

Let us see an example concerning the differences in the surplus values.

7) Surplus value either from 'mental labour' or from 'manual labour'

Whatever be the labour, the method of exploiting is the same. That method involves 'giving those labourers value of the labour power as wage instead of value of labour'.

Let us suppose that there are ordinary labourers and skilled labourers as well in the weaving work at the place of the cloth capitalist. The value of the labourer of the ordinary labourers is 1 rupee per hour. The value of labour of the second type of labourers is 2 rupees per hour. To both, the wage is half the 'value of labour'. Both work for 10 hours.

The value which the ordinary labourer gives through 10 hours of labour is 10 rupees. 'Wage' is 5 rupees. 'Surplus value' is 5 rupees.

The value which the skilled labourer gives through 10 hours of labour is 20 rupees. Wage is 10 rupees. Surplus value is 10 rupees.

A labourer performing any kind of labour would have to lose a part of the value of his labour as surplus value. The capitalist would exploit the value of any labour power that he employs.

If a doctor's labour is required for the production of a commodity of a capitalist, even the wage that the doctor receives will not be for the whole of the labour performed. It would be only for his labour power. Then that doctor too will be a labourer who gives 'surplus value'.

Can we imagine that the capitalist gets more surplus value from mental and skilled types of labour as they are of higher value? That we cannot say here. It depends upon what kind of labourers the capitalist employed in his work place. Generally speaking, in any work place, ordinary labourers would be more in number and the number of those doing mental and skilled labour would be less in number.

A question: there would be many labourers in a work place; isn't it? The values of their labour would show some differences. Then, how would it be known who has given how much 'surplus value'?

This is how it would be known: first, we have to calculate the 'surplus value' present in the 'commodity'. Later, we have to see the ratios of wages. We have to divide the surplus value according to the ratios of the wages. Then, the amount of surplus value which a labourer of a given level rendered will be known.

Now, let us see an elaborate example.

The details that a capitalist shows are as follows. Let us suppose that this is an account relating to 1 working day.

Particulars of the value of a 'thousand' metres of cloth

		Rs.
1)	For instruments of labour	800
2)	Wages for labourers	200
3)	Commercial commission	50
4)	Interest	30
5)	Land-rent	20
6)	Taxes	10
7)	Incidental expenses	10
8)	Productive profit	80
	Value of the commodity	1,200
	Invested capital	1,120
	Productive profit	80

This is the account which the capitalist is showing. We can know the real things from these calculations. First, we have to see the amount of 'surplus value' here. How do we know it? It does not exist with the name 'surplus value' specifically. It exists with only those names into which it splits. Therefore, the total of all those portions itself will be the 'surplus value'. Leaving aside means of labour and wages, we have to add all the other factors.

50+30+20+10+80=200. This is the 'total surplus value'.

Now, we have to see the 'value of labour' done by all the labourers. How to know this? If we add the surplus value and the wages together, we get nothing but the 'value of labour'. Wages 200+surplus value 200= 400. This is the 'value of labour' which all the labourers gave.

Then, how can we know who among the labourers gave how much surplus value? To find this out, we need know the number of labourers, types among them and the differences in wages. We have to divide the surplus value according to the ratios of wages.

Let us suppose that there are 28 labourers in all in this work place. Out of them, 2 are mental labourers, 6 are skilled-manual labourers and 20 are ordinary-manual labourers. Let us suppose that wage for ordinary

manual labour is 5. Wage for skilled-manual labour is 10. Wage for mental labour is 20.

The labourers doing manual labour are 20.
Their total wages are = $20 \times 5 = 100$.

The labourers doing skilled labour are 6.
Their total wages are = $6 \times 10 = 60$.

The labourers doing mental labour are 2.
Their total wages are = $2 \times 20 = 40$.

Three types of wages taken together are 200.
The surplus given by them is 200.

All the three kinds of wages taken together are 200.
The surplus value they gave is 200.

The fact that 200 wages gave 200 surplus value implies that each wage gave surplus value equivalent to itself.

Wages and surplus value are in these ratios.

$$\begin{array}{ccc} 200 & : & 200 \\ 1 & : & 1 \end{array}$$

Wages of manual labourers are 100. Their surplus value is 100. An individual wage in this section is 5. Its surplus value is 5.

Wages of mental labourers are 40. Their surplus value is 40. An individual wage in this section is 20. Surplus value is 20.

It means that, in this example, every labourer has offered to the capitalist the 'value' equal to his 'wage'.

In this example, the surplus value which the capitalist received from 20 labourers in the section of 'manual labour' alone is more.

This is the only way of knowing how much surplus value that all the labourers in a work place produced.

First, we have to calculate the mass of surplus value. Later, we have to see the proportions of wages and surplus value. Based on that, we may find out the amount of surplus value which a given type of labourers gave. (We will see this point in more detail in this part itself in the chapter 'Rate of surplus value').

Many things in the accounts of capitalist do not speak the truth. Yet, we can find out the truth based on the available calculations. If we combine wages and surplus value, that would be the value of labour of a labourer.

If we suppose that there are a thousand productive capitalists in a country, there will be a thousand accounts related to the thousand kinds of commodities, which those capitalists got produced. If we add surplus values and the wages that we find in all the accounts, we get the total value that the labourers in all those thousand work places had produced. Out of it, all the surplus values go to the exploiting class and all the wages to the labouring class!

8) The 'illusion' that wages create

It is 'wage' if the capitalist pays 'value of labour power' to the labourer in the form of money or any produce. Labourers who work on the wage-basis are 'wage-labourers'. A special name for them is 'workers'.

The practice of labourers giving their labour had been there in the history even prior to the beginning of the system of 'wages'. Slaves and feudal peasants of later time were also labourers. All of them gave their 'labour' to their masters and received only the value of labour power in return. But they did not receive the value of labour power in the form of 'wages'.

The beginning of payment of value of labour power in the form of 'wage' means the beginning of the capitalist buying the 'labour power' and the wage labourer selling it.

The beginning of the wage-labourers is the beginning of the capitalist, and the beginning of the capitalist itself is the beginning of the wage labourers.

The category of 'wage' has certain features. Those features create an illusion (a mistaken notion) about 'wage'. Those characteristics are as follows:

1) 'Wage' is secured if work is done. By this, it seems as if workers receive all the results of that work as 'wage'.

2) After an agreement such as 'this much wage for this much of work' has been made, double wage is obtained if double work is done. By this, it appears as if the whole of the remuneration for the work done

is obtained. More remuneration for more work, less remuneration for less work; appropriate remuneration for appropriate work done.

3) Wage can't be obtained if work is not done. Wage is obtained only if work is done. By this, it appears as though nothing is obtained if work is not done but all that is due may be obtained if the work is done.

Thus, wage causes wrong notions of these kinds. Though wage in fact is the 'value of labour power', it seems as if it is the value of labour; that is, it gives the entire remuneration of the work done.

9) What do capitalist economists say about 'wage'?

Neither the term 'labour power' nor that concept is found in capitalist economics. They call the wage of the labourer as the value of labour or price of labour. That is, as if the wage given to the labourer is the value of his labour! They think that 'paying a wage to the labourer in return for his labour' means 'paying him all that is due to him'. They have different answers to the question as to how the capitalist gets profit if he pays off a wage covering the entire labour of the labourer. They offer various kinds of answers. Once they say that profit is derived from 'outside' and at another time they say that the means of labour of the capitalist yield profit. All these answers are familiar to us.

None of the capitalist economists have found it necessary to examine specifically the question, 'what is a wage?'

Ricardo, without examining wage in depth, hastily concluded that 'what is given as a wage is nothing but the 'value of labour' since a wage is given only for the labour performed.

Ricardo, on some occasions in economics, expressed certain ideas that enable us to grasp things properly. It was the speciality of Ricardo. We will see what those ideas are in other contexts. At the moment, let us see here Ricardo's opinions about wage and value of labour.

An economist, who grasps that 'value' corresponds to the labour time, if he has to say as to how much value the worker's labour possesses he has to say, 'the value of a worker's labour is that value which the labourer produces by means of his labour for the capitalist'. But no capitalist would say so. He would not calculate the 'value of labour' like that.

In this regard, Ricardo is also like other economists. What he says about the value of labour is this: The value of labour is to be estimated by the quantity of labour required to produce wages. (Capital-1, page-501, Moscow, 1974).

It is not necessary to calculate afresh the amount of labour necessary to produce 'wages'. It is evident in the 'wage' itself. Wages are paid in the form of 'money' only. Money means nothing but labour. If the wages of a labourer are Rs.2, it implies that there is a labour of Rs.2 value. In other words, it required a labour of Rs.2 value. Which means, the value of this labour, i.e., Rs.2, should be considered as the value of the labour which the labourer gave! This amounts to saying that 'wage itself is the value of the labour of the labourer'.

Ricardo says the same thing in a different manner thus: "Labour, like all other things which are purchased and sold and which may be increased or diminished in quantity" (that is like all other commodities) "has its natural and its market price. The natural price of labour is that price which is necessary to enable the labourers, one with another, to subsist and to perpetuate their race without either increase or diminution." (In Marx: Theories of Surplus Value-2,page-400,Moscow edition,1968).

What is the price necessary for the labourers and their race to survive? It is nothing but wage. Oh! the wage means the 'value of labour'! Which means, if the capitalist pays wage to the labourer, it amounts to paying him the 'value of his labour'! That is, finally there is nothing what the economist said. He simply presents as a great formulation what appears outwardly.

When the question, 'how much value will the labour of the labourer have?' stands before the economist, he should 'discuss' the 'value'. But, he won't do all that. He calls the labourer and asks 'how much wage did the capitalist give you?"

Let us suppose that the labourer says, "He has given two rupees".

"Has he given two rupees? Tell me, why did you get this money?"— the economist asks again.

"Didn't I do the work, sire!", says the labourer.

"That is it! Look! You have done labour. You got this wage for that labour only. That is, the value of your labour is two rupees! Well, what do you mean by wage? It is nothing but the 'value of labour'. You need

not indulge in calculating separately thus: "What will be the value of my work?". The value of your work will be clear to you if you see the wage. 'Is it clear to you now?', thus says the economist in a joyous mood of preaching the value of labour to the labourer.

The labourer does not understand what is new in what the economist said. If work is done, it is just for that work only that the wages are received. What is new in it to know?

Moreover, the labourer will not even understand the terrible truth in the words of the economist. If he understands it, will he allow the economist to talk so many words?

He would ask thus: "You say that whatever the wage, it is the value of my work; isn't it? Will the value of my work decrease if my master decreases my wage to some extent? Will my work become valueless if my master evades paying the wage as a whole? Does it mean that the commodity has been produced even without my doing work ? How can 'what the master gives' be the value of my work?". But, the economists are able to stand in front of the labourers and say without fear any number of blunderous things.

"Your wage itself is the value that is due to you! Understand?, thus concludes the economist.

The labourer is surprised and says "Yes sir! Well, what is there not known in it?"

The labourer as well as the economist knows only that much which appears outwardly.

The workers work. The capitalist pays them wages. The workers go away without any objection. The workers will come to the work the next day. The economist observes the whole thing.

"Well, we will be paying wages for the work done, isn't it?, says the capitalist. The same words constitute Economics for the economist. The capitalist himself is the teacher of the economist. According to the understanding of the economist: the wage that the capitalist gives to the labourer is equal to the labour of the labourer. The wage is of a definite quantity that is neither more nor less than the 'value of the work'! The economist thinks that everything is going on accordance in with correct principles.

Let us assume that the value of the labour of the labourers is Rs.10 and the wage too is Rs.10. That is, let us suppose that he would be getting the whole value of his labour as wage. Then, to the question, "What is the value of the labour of the labourer?", we can answer without any objection thus: "wage itself is the value of labour". The capitalist economist thinks exactly the same way, thus: The whole of the value of labour will be obtained as wage.

This is the first mistake. Because he thinks like this the wage appears to him exactly as the value of labour. Therefore, he says that "wage itself is the value of labour". This is the second mistake. First he holds a wrong notion and hence he commits another error.

The capitalist economist, while saying that "wage itself is the value of labour", also interprets that "wage means necessaries of life".

Smith describes wages as "maintenance of workmen". As if wages give all the substances necessary for maintenance.

However, we have to see the meaning of maintenance in the view of the economist. It is maintenance whether it is jowar gruel or the most delicious food. What is that aspect that the economist has in his view? The capitalist economist would have the same view as the capitalist would have with regard to the maintenance of the labourer. In the view of the economist, the necessaries of life of a capitalist and the necessaries of life of a labourer are different. It is because, he finds them different in the world. The economist who observes labourer consuming gruel thinks that the gruel itself is a natural need of the labourer. Whenever the economist thinks of the food of the labourer, gruel appears and whenever he thinks of the food of the capitalist, certain other substances appear.

One who has tasted exploitation says like a 'sage', "the workman can live on gruel. But, can we live like that? Comfort is something which one is accustomed to". Not only economists but philosophers too follow those pieces of crooked utterances. "What does comfort actually mean? One may not find comfort in the heavenly food. One may find comfort in gruel itself. One may not find comfort even on the royal bed. One may find it on bare earth. Who can define what comfort is and what discomfort is? Is a poor fellow who gets a sound sleep on the bare earth not richer than the "rich " fellow who moves hither and thither without getting sleep even in his silk-laden cushioned bed? "- This is how the exploitative philosophies emit senseless utterances. They do not tell us why the capitalists madly pursue riches if 'poverty' is so comfortable. Nor do

they say as to why these philosophers do not go in for such a 'great happiness' which the poor enjoy by living in huts and consuming gruel. Well those huts and the bare floor give comfort only to the poor, but not to the philosophers; isn't it? Well, the things and ways which give comfort to them are all different; isn't it?

In the view of the capitalist economist, the needs of the labourer are simply the needs of the lowest level. As those needs are met somehow or the other with the wage, the whole thing appears to the economist as though all the needs of the labourer are met with the wage.

The economist sees the labourer still living in dire poverty. But he does not realise that the labourer is yet to satisfy many of his needs.

Because, the living conditions of the labourers appear to be very natural to the economist. "Labourers by nature are like that. They consume only gruel. They are labourers and hence they like that only." This is how the economist looks at the labourers. In the view of such an economist, the poverty of the labourers will not raise any questions.

As capitalist economists could not properly understand the facts concerning 'labour' (apart from the limitations of their class), they could not see that there is a difference between the value given by the labourer to the capitalist in the form of 'work' and the value given by the capitalist to the labourer in the form of 'wage' and that the two are not equal.

The economists, mainly, do not know what is meant by 'money'. They know only that 'money' is 'a means which exchanges with commodities'. They do not know the properly due to which that means performs that function. Which means, they do not have sufficient clarity about 'value'. They do not know the kind of roles that dead labour and living labour perform. Thus, due to lack of correct understanding with regard to 'labour', 'value' and 'money', the capitalist economist does not attempt to understand 'wage'. He recites, in his own words, whatever the capitalist says.

Let us see an example.

Let us suppose a tailor works 12 hours a day for a capitalist and his wage is Rs.2 a day. Looking at this, it is not enough to say that 'the wage for 12 hours of tailoring work is Rs.3'. Even children would say that. The task of an economist is not just reproducing in his own words what is already there.

What should the economist tell us?

What the labourer gives is 12 hours of tailoring. What the capitalist gives is a wage of Rs.3. Exchange is taking place between these 2 things. The economist has to tell us whether this exchange is proper or not, and 'equal' or not. It is not clear outwardly whether this exchange is an exchange of equal values or not. Because those two things are not in the same form. One is in the form of 'tailoring' and another is in the form of 'money'.

It will be known whether they are equal or not if both of them are in the form of 'tailoring' or if both of them are in the form of 'money'. Otherwise it is not possible to compare them.

There cannot be an answer to the question, "how many are left if 2 biscuits are taken out of 5 guava fruits". The two of them should either be guava fruits or the biscuits. Exactly in the same way, we have to see them by converting both the tailoring and wage into either tailoring or money. We will be able to understand as to what happens in an exchange only if we are able to convert both the thing given and the thing received into a single form. Now we have to do that job.

We have, 12 hours of tailoring-on the one side, and

Rs.3 as wage-on the other side.

Let us first see the two in the form of 'money'.

Wage is in the form of 'money' only. That is Rs.3.

Let us suppose that there is 1 hour of money labour in one rupee.

The wage of 3rupees = 3hours of money labour.

Also, we have to convert 12 hours of 'tailoring' labour into 'money'. How many rupees will be received if this is exchanged with money; that is if this is sold? How many hours of money labour would the 12 hours of tailoring labour be? We have to take some example for this.

It is obligatory to assume that the value of 12 hours of tailoring will be higher than the wage. Let us consider that 2 hours of tailoring as 1 hour of money labour. As per this calculation, the value of 12 hours of tailoring will be Rs.6.

It means that when the capitalist sells the commodity produced by this tailoring labour, he would get Rs.6 towards 12 hours of tailoring labour along with the expenditure incurred on 'means of production'. That is, the value of the labour in this example is Rs.6.

As these two items are in the form of 'money', we will now be able to see whether they are equal or not.

Rs.

Value which the labourer gave is..... 6.

Value of the wage which he got is .... 3.

It means that the value of the labour and wage are not equal. The value of labour is more than the wage. This fact is clearly evident since the two items are in the same form.

Let us now see the 2 items of the example in the form of tailoring.

Whatever the labourer gave is in the form of 'tailoring-labour'. It is 12 hours of labour.

The wage, which the capitalist gave, is in the form of 'money'. We have to convert this money into tailoring. How many hours would it be if we convert 3 rupees into tailoring? According to our example, 1 rupee is equal to 2 hours of tailoring. Therefore, 3 rupees are equal to 6 hours of tailoring.

If the 2 items are seen as tailoring labour:

What the labourer has given is – 12 hours of tailoring labour.

The wage that he has taken is – 6 hours of tailoring labour.

Which means, the labour that he gave and the labour that he received are not equal. As we have seen, the 2 items in the same form, this fact has become clearly evident.

But, what happens in the daily life will not be like this. What the labourer gives would be invariably in the form of a certain 'specific labour', while the wage which he receives would be in the form of some 'produce' or the other. As what is given and what is received will not be in the same form, the fact that they are not equal would not appear outwardly. Moreover, it appears as outwardly as if it would be enough if the capitalist gives wage to the labourer for the work done.

The capitalist and the labourer may not be able to grasp the truths and untruths. But, someone who is an economist should grasp it. The economist, who will at least have some understanding of 'value', should get at least few doubts in this regard." When the labourer worked for 12 hours, the capitalist gave a wage of Rs.3. Are these two equal? That, in fact, would have some value or the other without any connection with the wage, isn't it? How much is it? Is it only Rs.3? Will it be equal to

wage without being more or less than the wage?"—Doubts such as these must necessarily occur. But, no economist will get such doubts. That intellectual sees the labourer working and the capitalist paying wages. That's all. He would consider it as a great 'economic law' and would be fascinated by the wage thinking that "wage would express the value of the work of a labourer." He wanders around the work place and chats with the workers thus: " Venkayya! Is your wage 3 rupees? Then, it itself is the value of your work. Seshayya! What is your wage? 5 rupees? Oh! That means the value of your work is more. You people will easily know what is due to you if you look at your wages"-Thus, he feels pride believing that he is explaining to the labourers the knowledge of economics in a very easy manner.

The essence of the matter is this. It means that any economist who preaches wage as the 'value of labour' does not know even A,B,Cs of 'value'! The economists should be cornered by such question as: "If 'wage' is the value of labour, how is profit derived?". But they don't take the trouble of being cornered like that. Their way of thinking is as follows: "What do you mean by the source of profit? Should not the `capital' get profit? Hence profit! Getting profit is natural. There is nothing to think about it" It means that they do not know anything about any issue other than what appears outwardly.

Labour, value of labour, money, wage, profit—all these are not different forms of knowledge. They are different forms of the same kind of knowledge. If one among these aspects is understood, the other aspects will not remain unintelligible.

It will not so happen that 'wages' are understood while 'profit' is not, or that 'profit' is understood while the 'value of labour' is not. When one is of the view that 'profit' is 'natural', there won't be any scope for such questions as: whether the entire value of a worker is not probably covered by his wage or whether the wage has probably less value than that of the labour. No doubts are, in fact, entertained about 'value of labour' and 'wages' when one is not prepared to give up 'profit'. It appears as if the problem is solved if one assumes that, by giving wage' he is giving the 'value of labour' due to the labourer.

As the capitalist economists did not abandon the profit-motive, they could not properly understand any truth of economic laws. As they held erroneous conceptions everywhere, they held the most blunderful notion with regard to 'wage' also.

10) Not 'wage' but 'value of labour power'

What the capitalist calls 'wage' should in fact be called by us the 'value of labour power'. It is because, if we call it 'wage' it looks as if it is the value of the whole labour done by the labourers. The word 'wage' gives the meaning of 'value of labour'. But if we call it the 'value of labour-power', it will be clearly known that what the capitalist pays is not the 'value of labour', but the value that meets bare necessities.

We should not take the words used in daily life and customary meanings as they are uncritically. To do so is the capitalist outlook that sees things superficially. We should not take anything uncritically. According to our understanding, the meanings, causes and consequences of many of the words in common parlance and at the level of common sense vary a lot. We should coin the names of the things specifying our understanding. The names should express whatever real meanings phenomena have. There should be no disguise or mystery about it. Wage is an illusory word. It is a word that looks like the 'value of labour'.

As 'wage' is nothing but the 'value of labour-power', matters relating to the value of labour-power serve as the basis for the 'principles of wages'.

11) Is it not a contradiction?

If the worker gives more value to the capitalist, the capitalist gives less value to the labourer; isn't it? In this manner, the exchange between them will always be taking place unequally; isn't it? Is this not a contradiction according to the 'law of value' which says that "exchange takes place only between two equal values?". Yes, it is. No doubt, this is a contradiction. But it is not due to any defect in the law of value. There is a defect in the foundation of the society. This is the result of that defect.

It is important to see the relationship between the capitalist and the labourer before examining the exchange that takes place between the two parties. They are in the 'sphere of production'; isn't it? There, they are in 'unequal' situations instead of 'equal' situations. That is, while the capitalist stands as the possessor of means of labour, the labourers are non-possessors. Moreover, while the capitalist stands as a non-labourer, the labourers stand as those who perform labour for both the parties. Thus, the two will be in an unequal relationship. The consequence of this is 'unequal exchange' between them.

If the exchange between the capitalist and the labourer has to be an exchange of 'equal values', the capitalist will have to give as wages the entire value he had taken from the labourer. What will the capitalist eat if he gives like that? **When there is a person who does not perform any labour and on the one side a person who performs labour for both, on the other side such a situation will naturally create an 'unequal' exchange between the two.**

There won't be 'capital' and 'wage' if it was not obligatory for the labourer to do surplus-labour. Which means, if the capitalist too gets into the labour and performs for his own means of subsistence, there won't be any 'inequality' between them.

It means that the unequal exchange between labour and the wage is nothing but an external form of the inequality that exists between the two individuals in the 'production relation'. The 'inequality' in the exchange will not change unless the inequality in the 'production relation' is changed.

The principal contradiction in the whole of 'capitalist mode of production' is simply the fact that the capitalist gets labour without himself labouring. However, this contradiction did not begin with the capitalist. It was there even earlier than that.

The process whereby some human beings extract labour of other human beings without performing any labour had begun since the 'slave society'.

12) Masters vs. Labourers

Once upon a time, there was a period of time where 'exploitation' was absent. In that ancient period, human beings used to live by forming 'tribes'. All the people do labour in a tribe. Then none would be there who do not perform labour. Therefore, the 'exploitation of labour' was not yet there.

However, there used to be fighting among different tribes for natural resources. There used to be animosities and wars among the tribes. They used to kill the enemies defeated in wars. Or, admit into their tribe.

Gradually, the growth of the productive forces gave to the human being the power of producing surplus over and above the self-maintenance.

This situation gave scope for treating the enemies captured in the wars as 'slaves'. The slave can produce the surplus over and above his

bare 'maintenance'. If the master can snatch that 'surplus', that master can live without doing labour for himself.

The past condition when 'all people doing were doing labour' had changed into such a condition wherein 'some persons alone were doing labour' and wherein 'some stopped doing labour'. Which means, 'exploitation of labour' had started.

Exploitation did not start first of all with the capitalist mode in any 'region' (call it 'country' or some other thing). Prior to it (the capitalist mode) there were earlier modes in the past history. There might be differences even in the modes of exploitation from region to region. But 'exploitation' is a fact that existed since a long time everywhere.

All those who perform 'labour' under the authority of 'owners' are labourers. These labourers have been 'slaves', 'serfs' and 'workers' in history.

We will see here certain general characteristics in order to understand exploitation.

(1) Slaves :

If we imagine 'slave society', some of the human beings are slaves and some are their masters. Each master will have several slaves. The entire 'land' is the 'private property' of the masters. Even the slaves are master's private property. Masters can sell, purchase and kill the slaves. The masters possess the right over the lives of the slaves.

Whatever be the number of slaves that live in a master's family, those slaves alone will perform all the 'labour' required by that family. It is needless to say that masters do not perform any labour.

Slaves cultivate the lands, weave clothes, extract mines and perform all the labours that are known at that time. If we deduct the expenditure of the means of labour from the 'mass of products' produced by the labour of the slaves, what remains will be the fruits of the 'living labour' of the slaves. But, the whole of it goes to the family of the master. However, the master's family spends some part of that production on the 'maintenance of the slaves'. The rest of it all belongs to the master's family only. Which means, we can divide the fruits of the labour of the slaves into two : the part spent on the maintenance of the slaves as a part spent on their labour-power and the remainder as their 'surplus production'. It means that the labourers too receive the 'value of the labour-

power'. But, it is received in the form of 'means of subsistence'. (We will see these things in a somewhat detailed manner in subsequent contexts.)

Slaves too will have marriages and families. It means, slaves give birth to slaves and hand over them to the masters.

The master is the exploiter in this 'slave society'. The slaves are the labourers who are subjected to exploitation and oppression. In this society, all the slaves are one class and all the masters are another class. The class of 'slave masters' lives on the labour of the 'class of slaves'. The 'relation of production' in this society is an 'unequal relation' between a slave who labours and a master who does not. It is a relationship of antagonistic classes. It is a relationship involving antagonistic contradiction.

(2) Feudal peasants (serfs/semi-slaves) :

The struggles of slaves themselves emancipated the slaves. But, this 'emancipation' was very limited. It only transformed slaves into 'serfs'. Even though it was in a way 'slavery'; yet, it was, nonetheless, emancipation from the earlier condition.

Let us imagine that of the total human beings in the society, some population consists of the families of the feudal peasants and some population consists of the families of masters.

In the place of the slave master of the olden times, we find 'feudal lord' now. Even now the 'property right' over the 'land' is that of this 'lord'. Which means, the entire land belongs to this fellow.

The slaves of olden times are now 'feudal peasants'. They don't have right over the land. But, it is they who have to cultivate the land. That is, these people alone are labourers in this society. The feudal peasants will not be the property of the feudal lord. This itself is a major change here. The feudal peasants take the lands of the landlords for cultivation and pay 'rent' (land rent) to them.

All the land yields crops only due to the labour done by the families of the feudal peasants. If we deduct the expenditure of 'means of labour' from that crop, the remaining crop is nothing but the 'value of labour' of those families only. The 'rent' has to be paid to the landlord from that only. Whatever still remains will be for the sake of maintenance of the families of the peasants who did labour.

That which the peasants' families can use is their: 'value of labour power'.

That which is paid as 'rent' is their 'surplus production'.

In these peasant families, activities such as weaving, dyeing, shoe making were carried on along with agriculture. Agriculture and certain other handicrafts were in a combined state in those times.

Members of these families of feudal peasants were found in a state of 'serfdom', acting as servants of the 'family of the feudal lord', not only paying rent but also rendering free domestic services and regularly presenting various gifts. Serfs, feudal peasants, tenants—however you call them, all mean the same.

The 'class of feudal land owners' lives on the labour of the 'class of feudal peasants' in this 'feudal' society. This also is a relationship between antagonistic classes. In the history, these feudal peasants also were subjected to dreadful exploitation and oppression like the slaves. Struggles of serfs also took place in history like struggles of the slaves.

(3) Workers :

The labourers doing labour on the basis of the wage system are 'workers'. The slaves and the feudal peasants as well in the past are labourers. That is, these people alone are labourers. The feudal peasants will not be the property of the feudal lord. That itself is a major change here. However, they did not receive it in the form of 'wage'. The slaves received it (value of labour power) in the form of means of subsistence and the feudal peasants in the form of products that remain with them after paying the rent to the feudal lord.

But, the 'value of the labour power' which the workers receive would be in the form of 'wage'. The owner can give either some 'products 'or 'money' as the 'wage'.

If the money is given as the 'wage', the workers convert it into the necessaries of life. That is they purchase the required products. What will the worker, who works on the 'wage' system, sell to the capitalist ? He would sell his 'labour power'. That is, he would sell his 'body' for some time. The worker, who has to sell his body, should himself have the right first on his body himself. The person who stands as a 'slave' cannot have the 'freedom' to sell his 'labour power'. Therefore, the labourer who sells his labour power should not be like a slave who is always

under the control of his master. Similarly, that labourer, should also not be like a feudal peasant who is obliged to cultivate the land and pay rent. The peasant will be engaged mainly in cultivating his rented land. Such a person will not find it necessary to work for some other owner for wage. Even if he does so any time, it will not be his principal means of livelihood. Therefore, if a worker, whose principal task is to work for wages, has to emerge, he should be neither a 'slave' nor a 'serf'. The consequence of these two changes is the emergence of the slaves and the serfs as 'workers' in the course of history. Whether you call them 'wage labourers' or 'workers', it means the same.

As the feudal peasant of the past himself transformed into a worker, does it mean that the feudal lord (landlord) of the past himself transformed into a 'capitalist'? No. The 'capitalist' was borne while the landlord was still there (We will see this aspect in detail in the chapter on 'Land-Rent' in volume 3.)

Why does a worker—who goes to an owner, works for wages and gives his entire labour—not perform that labour for himself? Why does he not produce the commodity— which he is producing for the capitalist— for himself and sell it? Why did the 'wage-labourer', who was non-existent in the past and who works for 'wage' emerge in the labour market? The capitalist will have no interest to know about these questions. He does not know anything about the emergence of the workers since he himself does not know how he came into existence.

The question as to how the class of workers and the class of capitalists emerged in a given country is something that cannot be dealt with here. However, the general principle pertaining to the histories of all the countries is that the same feudal peasants of the past time who lost their 'means of labour' transformed into workers.

The important thing among the means of labour is the—land. Though that land was never the 'private property' of the feudal peasants, it was once in the hands of those peasants. In the subsequent times the landlord snatched his land from the feudal peasants who do labour on their own; and thereby the system of renting it to the 'capitalist' began. However, the family of the capitalist, which took the land on rent, does not labour on its own on that land. The former feudal peasants who lost the land alone transform into the 'wage labourers' and cultivate the land for the capitalist on a 'wage' system. The capitalist pays from that crop,

the 'rent' to the landlord and the 'wages' to the labourers and takes his 'profit'.

Even after the transformation into 'wage labourers', some labourers might possess a little of their own or a little rented land. However, all the wage labourers will not have this situation.

The labourer did not have any natural relationship with land, his principal means of production, either when he was a 'slave' or even when he was a 'feudal peasant'. Even in the past, land was an 'alien property' for the labourers. Yet their relationship with that property was very close. But, now it is a very alien relationship after he transformed into a labourer who takes wage and cultivates. Though land had always been 'alien property' for the labourer, he is totally alienated from the land under capitalism.

On the whole, capitalists and workers had emerged in the history. Selling 'labour-power' for 'wages' had arisen.

When we speak of a 'slave', it appears as if the 'slave' gives away his labour to the master freely.

When we speak of feudal-peasant, it appears as if he is giving 'rent' to the land since the landlord owns the land.

When we speak of a worker, it appears as if the 'worker' takes all the fruits of his labour as 'wage' from the owner.

But, all these 3 notions are wrong!

The slave does not give all his labour free. He takes the 'value of labour power' out of it. Otherwise, the slave cannot live. What he gives free is the 'surplus production' only. He gives it for the 'right' the 'master' has over the 'slave'! That is a false right. That is, the exploitation of labour.

The feudal peasant gives the 'rent' to the landlord not for the 'land'. But for the 'right' the landlord has on that land. That is also the false right. That is, exploitation of labour.

The wage taken by the worker from the capitalist is not the value coming in lieu of the whole labour. It is merely the 'value of labour power'. The surplus value given by the worker is for the rights the masters have on their 'capital' and 'land'. Those are also false rights. That is, exploitation of labour.

Whether the labouring person is a slave, feudal peasant, or worker, he receives only some part of his total labour and loses the remainder. The question as to what is the form in which that 'wage' exists is not important.

In any social order where there is a class 'that does not labour', the burden of feeding such a class lies always on the class that labours.

The modes of extracting 'surplus production' are not the same in 'slave', 'feudal' and ' capitalist' societies where there is 'exploitation'. The mode of extracting surplus produce from the slave, the mode of extracting surplus produce from the feudal peasant and the mode of extracting surplus produce from the worker are different. They are three different methods. These differences constitute the specific characteristics of those societies. These differences alone will classify the society into various stages, namely, 'this is a slave society', 'this is a feudal society' and 'this is a capitalist society'.

Each of these societies—slave, feudal and capitalist—where exploitation is found has its own historical characteristics. Each has its own historical stamp. In any society, exploiter is the master of the labourers.

Neither the person who exploits nor the person who is exploited knows what developments in the 'history of society' gave scope for exploitation and what developments have been affecting the shape of the society.

In fact, those classes do not know at all that exploitation is taking place.

The entire past history will be seen with a new perspective only when we understand that exploitation is taking place in the society. To the society—which only sees the division of human beings into masters and labourers as some thing natural—it will now be clear that it is not natural. **Nature did not create masters on the one side and labourers on the other. Nature created all people as 'human beings' only.** In the sense of human beings, all are equal. It is not that some are humans and some are animals. Biologically all are human beings. Nature is concerned with this only to that extent. Some humans are slaves while some are masters; some are landlords while some are feudal peasants; and some are capitalists while some are workers—Facts such as these are connected with the 'evolution of the society'. The 'social relations' are very clearly

the consequences of a number of economic revolutions that took place in the past. The whole of it is a consequence of the revolutionary transformation of certain aspects of the earlier modes of production (e.g., such changes as absence of rights of the masters over the slaves, establishment of wage system, etc.,).

The stages, namely, 'slave' society, 'feudal' society and 'capitalist' society mainly refer to the history of European countries. We should not assume that the history of every country in the world has necessarily passed through these stages alone. Slave societies might not have existed at all in the history of certain countries. The class differences in those countries might have emerged in other modes also subsequent to the society of 'primitive tribes'. The 'history of classes' should, therefore, be examined separately for each country. Based on the history of those countries, the workers of each country should know how the working class had emerged in their respective countries.

Whatever be the specific mode in which classes came into being in different regions on the earth and let there be any number of differences, exploitation has been there at every place. **Had the exploitation not been there, the distinctions of 'rich' and 'poor' might not have arisen at all. This is the foremost landmark for the presence of 'exploitation'.**

13) Wages for whom?

The expenditure on the workers' sustenance appears to be an expenditure on their personal needs. But, in fact, even this is expenditure spent for the sake of the 'capitalist'. **Why do workers acquire their 'labour power' by consuming certain things? It is only for doing labour for the capitalist.** There won't be 'surplus labour', necessary for the capitalist, if the worker does not do the labour. If the worker does not produce, the capitalist would have to do it himself. If he has to live without performing labour, he has to keep the workers in such a condition by which they are able to work. The capitalist knows this requirement pretty well. He throws food to the labourers just as he applies oil to the machine. This he does not with a view to satisfy the hunger of the workers. The capitalist will not think that the worker is a living human body and that body will have natural needs and that all these needs have to be satisfied. It is merely because he needs a person who will produce all the things for him without himself doing labour, and that person (the worker) should be kept alive. That itself is the real meaning.

Just as the labourer's house is separated from the capitalist's 'work-place', the life of the worker too appears to be independent from the life of the capitalist. But, the life of a worker is not a really independent life that has no connection with the 'servitude' for the capitalist. Even if the body of the worker experiences joy while eating, it is not the joy that the worker experiences out of freedom. A drought-animal too feels happy while grazing. The cattle are fed with more fodder during the seasons when there is pressure of work. Though the food might all reach the animal's stomach, it is not meant for the animal. If it is out of concern for the animal, it could expect to be supplied with the same type of fodder always. If extra fodder is provided in times of pressure of work, it is only for the sake of the needs of the master of the animals, not for the requirement of the cattle. **The expense on the worker's wage is , likewise, meant to satisfy the capitalist's need and not for the worker's life.**

All the 'labour' of the labourers is for the 'rest' of the masters!

All the 'hand work' of the labourers is for the 'comfort' of the masters!

All the 'poverty' of the labourers is for the 'wealth' of the masters!

The lives of the labourers in their entirety are for the lives of the masters!

In an 'exploitative society', the labourers will not have life of their own.

14) What is wrong in purchasing 'labour-power'?

When some one purchases a 'commodity', he or she would pay the 'value of that commodity'; isn't it? Once a person purchased a commodity, that person will have all the rights to get its 'use value'.

Let us suppose that a capitalist says to the workers thus: 'you yourselves are saying that I am purchasing your 'labour-power'. You are also saying that the value of labour power is simply the value of the means of subsistence. I am paying the value of the commodity that I have purchased and consuming it. Doesn't anyone consume the commodity that he purchases? If you buy a shirt, don't you go on using it until its use value is exhausted and until it is torn into pieces? similarly, I too use the commodity that I bought . Since I purchased the 'labour power', I take as much 'labour' as the 'labour power' is capable of giving. What is

wrong in doing so?'- What would be the reply of the labourers when the capitalist says so?

There is no comparison at all between 'labour power' and the other commodities. All other commodities are inanimate while 'labour power' is living. Purchasing 'labour power' amounts to purchasing a 'living human body' for certain hours. Whatever applies to inanimate objects does not apply exactly to a living body. The laws of nature do not permit using a human body to the point of wrecking it just as you use an inanimate object until it is worn into pieces. Buying and selling a human body is contrary to nature irrespective of whether a human body is valued and bought permanently or for certain hours.

Our capitalist is saying thus: Am I not paying away the value of the labour power? What is wrong in it?'' But who fixes the value of that 'labour power'? The capitalist himself. That is the exploiter himself.

As the capitalist has to live on the labour of the labourers without doing labour for himself, he would fix at the 'minimal maintenance level' the part that he gives to the labourers from their labour. While giving that which he fixes with 'exploitative motive', he says "I am giving the 'value of your 'labour power'. Then, what is my fault?

The first fault is that—a person becomes a 'master' and makes other persons his 'servants'.

The second fault is—to fix the amount on his own, to be given to those 'servants'. If we go on counting the mistakes like this , that list will be endless. The base of all the mistakes is the first mistake.

When we are saying that "the value of labour power consists of the minimal number of articles of maintenance", it is same as saying that the master fixes it so and not that it is the decision of the labourers.

Let us suppose that a labourer has produced '10 articles' as a part of his 'living labour'. Then, let us imagine that we said to him thus: "The value of your labour power is 10 articles. How many articles out of those do you think you should get? How many articles do you fix as the value of your labour power? The capitalist intends to give you 3 articles as 'wage'. What do you say?" What will the labourer then say if we ask him so? He will first be surprised- "If 10 articles constitute the value of my labour power, the question as to how many articles I should take does not arise. The whole of my labour belongs to me. All those 10 articles are mine. Why should the value of my labour power consist of 3 articles?

That will satisfy my needs only to the minimum extent. Don't I have more needs than that? If I use all my 10 articles myself, all my requirements will be met satisfactorily. Then, I will be happy without poverty. Why so much argument ? All my labour belongs to me. I don't want either more or less than my labour. The value of my labour itself is the value of my labour power. The two are the same," says the worker.

Which means, if everybody gets the value of labour of one's own, then the value of labour power will not be at the minimal level as fixed by the master. (Then, the master himself will not exist). Then, labourers won't say thus: "The rice gruel is enough for us. A loincloth is adequate. A hut is sufficient. We want the value of our labour power to be like this only. We will happily hand over the whole of the remaining labour to the master. Why do we need all that?''

Therefore, the rule that 'minimal necessaries of maintenance themselves constitute the value of labour power' is the rule only for the master and not of that labourers. The value of labour power determined by the master will not satisfactorily meet the natural requirements of the labourers.

To satisfy the needs naturally, a person should have the food necessary to live healthily. There should be a spacious residence with enough provision for air and light. There should be a certain types of clothing to protect from climatic conditions. There should be an opportunity to spend time leisurely after the workday. There should be an educational and cultural life to develop intellectually. There should be conditions of work that make 'labour' pleasant and not burdensome. There should be an 'artistic life' required for mental happiness —All these are the very natural needs of human body.

But, none of these needs figure in the view of the exploiters. What they have in their view are only the 'minimum' requirements necessary for 'labour power'. It is only the rule of the exploiters, but not of the nature. As per the law of nature, a human should eat a bellyful. As per the rule of the exploiters, a human (the person doing labour) should starve. Having fixed the needs of labourers at so low a level and paid that minimum value, the capitalist would say, "Look, I am giving away the value of labour power".

The problem will not be solved even if the capitalist gives to the labourers the 'value of labour power' at somewhat more than a minimal

level. Because, even then some labour still goes to the capitalist from the labourers.

The natural solution for this is—only one: abolition of the sale of labour power itself. When the 'sale of labour power' is abolished, all the restraints imposed by the capitalist on the needs of the 'labour power' will be abolished. The wages and surplus value will then be fused together. The fusion of surplus value with wages means the fusion of the capitalist with the workers. It means the gang of robbers getting down to labour. This alone is the solution to the problem.

When the workers understand all these things, they will give a reply to the capitalist who asks: "What is wrong if labour power is purchased?" They say thus: Standing upon a 'foundation' where we do not possess our own means of labour, you are purchasing our 'labour powers'. We will abolish this foundation itself. We will abolish all the limits you had fixed for the value of labour power. We will abolish these exploitative production relations. While liberating ourselves from your slavery, we will also liberate you from your idleness, your unnaturalness and your inhumanity. We will make your crooked thoughts understand what is wrong in purchasing labour power". When can the labourers give this reply? Only when they come to know fully about 'exploitation'!

15) There is no 'exchange' at all between the capitalist and the worker!

We have supposed that the worker is selling his 'labour power' to the capitalist; that the capitalist is purchasing it by giving the 'wage' and in this way, 'exchange' is taking place between these two. Haven't we ? But, in fact, there is no such buying and selling between them. In fact, there is no such 'exchange' at all between them. This should have been understood by now, if things have been perceived correctly.

Let us suppose that the worker did the labour valued Rs.12 and the capitalist has given Rs.6 wage for it.

That 'wage' is - nothing but 'a portion of the labour' of the worker.

6 wage is out of 12 itself.

First, those Rs.12 go into the pocket of the capitalist. He takes out 6 out of it, keeps in the hands of the worker and says, "Here is your wage. Is it okay?"

"Okay''?

"Well, then go! Come tomorrow!''

The same thing happens tomorrow also. The worker will again produce '12 value' tomorrow. It will again go into the pocket of the capitalist. He takes out 6 from it and says thus: "Here is your wage, count it!"

What is there in it that the capitalist gives? 'Wage' means nothing but giving something from the worker's labour to the worker. However, this payment is made as follows: The wage of a given day does not come from the labour of that day itself. Workers work all through the week. The capitalist might not sell that commodity yet. Even then, he gives wages. He gives wages from the value he received after selling the commodity of the previous week. The labour which the workers gave last week, might have converted into money by then. He takes out from it and gives this week's wages. Similarly, he gives the coming week's wages from this week's labour,

This is what happens right from the day the workers had got down to work. The workers get their first wages only after they have worked for a certain number of days. It is nothing but a part of the value of their labour. Again, they get their second wages after they worked for some more days. It always happens like that. Even if it were supposed that the capitalist paid workers their wages before they did any work, there would not be any change in the matter. If the capitalist spends some amount on wages beforehand, he will take back those wages from the value that workers would be giving later.

But, it appears outwardly as if the capitalist himself is giving that wage. It is because, by the time of giving the wage, the 'new commodity' produced by the workers lies still there. It will still be unsold. The capitalist gives the wage money from his pocket. Therefore, it appears as if the capitalist is giving his money as the wage. It appears as if the 'exchange' is taking place between the money of the capitalist and the labour of the workers. But, if what is going on is really understood, we should be able to give answers to the following questions. 1) What is the source of the money given to the workers as wages? 2) In this total transaction, what is the 'commodity' that exists from the side of the capitalist? Or, what is the 'labour' which the capitalist did?

Before considering answers to these, let us briefly see how many kinds of 'exchanges' there are.

Exchange, in fact, takes place in three ways.

(1) Giving a 'thing' and taking a 'thing':

A peasant who grows crops by his own labour may give his grain to a weaver and take a blanket. If this happens, it amounts to an exchange between the two kinds of labour. Or, let us suppose that the peasant sold his grain elsewhere and with that money, he purchased a blanket from a weaver. As the money that came into the hands of the peasant pertains to his own labour, it amounts to the fact that an exchange took place between the peasant's labour and the weaver's labour in case the peasant purchases a blanket with that money. Whether the peasant and the weaver exchange their products directly through a barter system or whether each of them purchased the other's product with money, it amounts to an exchange between their respective kinds of 'labour'.

(2) Giving a 'thing' and taking 'work' :

A peasant might receive medical treatment from a doctor and give grain . Or he may sell his grain elsewhere and give that money to the doctor. Or the doctor may purchase grain from the peasant with the money earned by treating others elsewhere. Or he may treat the peasant himself and take grain from him. Whichever of these may happen, it amounts to an exchange between the labour of the two.

(3) Giving 'work' and taking 'work' :

A teacher may receive medical treatment from a doctor and pay him money. Or he may teach the doctor's children. Or, a doctor may ask a person to drive his vehicle and pay him money. Or, he may treat the members of the driver's family. Whichever of these may happen, it means that their labours are exchanged.

But, the exchange that takes place between the capitalist and the worker does not belong to any of these categories. The capitalist does not produce anything himself. He does not perform any kind of work such as treating patients, teaching or driving a vehicle. There is nothing that can be called his own labour.

Let us suppose that a capitalist got the 'cloth' produced and kept it in the market and a peasant purchased some cloth by means of the money which he got by selling his grain. Between whose labours did that

exchange take place? Was it between the peasant's labour and the capitalist's? No. The cloth does not contain any labour of the capitalist. That labour was done entirely by the labourers. The labour of growing cotton, the labour of spinning, the labour of weaving and such other kinds of labourer together produce cloth and the peasant exchanged with it. The exchange was, therefore only between the peasant's labour and the worker's labour, and not between the peasant's labour and the capitalist's labour.

Even if the capitalist gives the worker' wages in the form of means of subsistence instead of money, those objects too are not the capitalist's labour. Either the other labourers or these labourers themselves produced those objects.

Just as each labourer is doing some labour or the other, what is the particular labour that the capitalist is performing? And what is the commodity that the capitalist is exchanging with the labourers? None, whatever. There is neither any object nor any work coming from the capitalist's side in the exchange between the capitalist and the worker. It means that there are neither 2 things nor 2 kinds of work involved in this exchange. There is only one article. It is an article produced by the workers. There is only one work which the workers performed. A certain part of that 'work' or 'object' itself is 'wage'. That is, a piece in the labour of workers itself is the wage for the workers. It is all a 'show' that the capitalist is giving wages. It is difficult to expose this 'drama' because of the 'curtain of money'!

'Money' appears to belong to the person in whose hands it is, as his own money.

As the transaction between the capitalist and the workers takes place through sales and purchases, the real issue becomes confused.

The bourgeois economist says thus: "If the worker is doing the 'work', the capitalist is giving away 'money'. There is no confusion in it. The capitalist is purchasing the 'work' of the workers. That's all."

"Is the capitalist 'buying ' the 'work' of the worker? With what?"

" With money", replies the capitalist economist enthusiastically.

"And where does the capitalist get that money?"

"....."

"What is money ?"

" ....."

"Money means labour. Do you know? What is the capitalist's labour that fetches him money"

"....."

"That money belongs to the labourers, and not to the capitalist. Do you know this?"

"....."

"The capitalist pays the labourers' own money as their wages. But it looks like the capitalist's money. You simply know that the capitalist gives money to the workers. You know that much only and you don't like to know more. Do you know this?"

"....."

"And therefore, the capitalist is not buying the workers' labour. He is only extracting it . Do you know this ?"

"....."

"We call this'exploitation'. Do you know"

"....."

"You don't find this word in your dictionaries. You don't have some of our words with you. We don't have some of your words with us. Even the words that are there will not have the same meanings. Whatever we speak, it is contrary to law in your view."

"Yes, we know this. We know this last point pretty well. We know pretty well as to how to deal with those who speak like that, contrary to law." At last, the whole 'truth' becomes contrary to law in the view of exploiter. The capitalist himself enacted that law; isn't it? Since the wage of the worker is part of the labour of the worker, raising 'wage' simply means paying two paise more from the labour of the worker. But, how difficult is it for the capitalist to give like that? If the workers ask for two paise more, the capitalist says carelessly, "What? Should I increase 'wages'? I don't like to increase them further!" Reduction of 2 paise from the 'lot' snatched by that fellow, he doesn't like it; isn't it?

16) Do workers also stand once as 'sellers' and once as 'buyers'?

We have to make one thing clear when we speak of sales and purchases. When the worker gives his 'labour', he appears like a 'seller'. The same worker appears as a 'buyer' of others' commodities, when he takes 'the necessaries of life' from the capitalists. It means that the workers too appear like 'sellers' at one time and 'buyers' at another. But the whole thing is an illusion.

Where the worker gives his 'labour', the money (wages) that he takes from the capitalist does not belong to the capitalist. It belongs to the workers only. Therefore, he is not really a seller at all in this context. Similarly, where the worker receives the necessaries of life from the capitalists, those articles are not the capitalist's. They belong to workers. Therefore, he is not actually a buyer in the context.

We have seen that the worker receives his own 'labour' as the 'wage'. If we see that labour as 'money', the worker gets his own money. If we see it as 'products', the worker gets his own products. The essence of the matter is that he is taking a portion of his own labour.

Therefore, firstly, there is no question of the worker selling or the capitalist purchasing. Secondly, there is no question of the worker purchasing the things and the capitalist selling them. All this is a drama that appears outwardly. What really happens is simply that the workers produce and the capitalists snatch away some part of it. This activity appears to be the 'sales' and the 'purchases' between the workers and the capitalists.

It is only in those contexts in which both the parties to an 'exchange' are either those 'who labour' or those 'who do not labour', that the description of one as being 'seller' at one time and a 'buyer' at another time will be apt. Those who perform labour will be sellers and buyers to reach other and hence they are equals. Those who do not labour will also be sellers and buyers to each other and hence they are also equals. But, these features do not exist in the relationship between a capitalist and a worker. Of these two, one is always the labourer while another is one who never labours. That is their relationship. Such a strange equality is theirs.

In case the worker is seen as the seller of a commodity called 'labour' and the capitalist as its buyer, as they appear outwardly, these 'roles'

never become reversed. It is the worker who always sells his labour and it is the capitalist who always buys it. An event of absolute equality will never happen, not even once, wherein the capitalist also goes to the worker and sells his labour, and the labourer purchases it. Similarly, whenever the worker buys necessaries of life, it is only the capitalist who is always the seller. It will never happen that a worker sells necessaries of life and that a capitalist buys them from the workers.

17) Are capitalists and workers 'equal'?

There is, in fact, no difference in essence between a slave and a worker. Both are 'unfree'. Both are servants under Masters. But the 'liberty' (if it can be called such) which the worker enjoys as compared with the slave, is the 'liberty' of not having a master when he does not work. Whereas a slave is under his master's control day and night, a worker is, on the other hand, 'free' while he does not work and he is under his master's control while he is working. It is exactly what the master wants; isn't it ? If the workers are under their master's control during the work, the master can make use of them as he pleases. What will the master lose however free the workers are when there is no work? The master of a worker, as compared with the master of a slave, appears to have gained more knowledge and can think that "it does not matter even if the workers are free when there is no work".

The worker's liberty and freedom will be like this in every issue. It appears as if the worker can leave one master and go to another as he pleases. The worker's position might appear a little better when compared with the position of a slave; but if it is assumed that a worker can change his master every week, the liberty to change the master is not the liberty of having no master at all. Even the worker should always have one master or the other. Since the worker does not have his own means of production, he is obliged to regard one or the other of the total capitalists as his master and submit to his authority and serve him. How can a worker live if he goes away in full freedom saying, "I won't work under any master?". Where is the land for him? Where are the other means of labour? The workers are like physically handicapped persons who do not possess the means of production. How can such people live defying the master? Every worker should, therefore, be under a master.

A capitalist will have no master. As the worker has an autocrat over him, the capitalist will not have an autocrat over him. This is the

'relationship of absolute equals' that exists between the capitalist and the worker.

It is the opinion of certain economists that the worker is an equal with the capitalist even in the matter of 'property'. They discovered a great truth that the worker has a property called 'hands' while the capitalist has the property called 'means of production'. Their theory is that if the capitalist derives 'profit' through his property, the worker would get his 'wage' through his property and both mean the same and hence each is enjoying the fruit of his own property.

If 'hands' too could be property, do only workers have them and does the capitalist not have them? Does the capitalist not have hands, legs, muscles, nerves and flesh and blood? Does the capitalist not have the body that the worker has ? Can't the capitalist, like the worker, learn some labour with that body and do labour ? If body too can be the property, does it not mean that the capitalist has 2 properties? A property called the 'means of production' and a property called the 'body'! From that point of view, it means that the capitalist has one property more than the worker does (property called 'means of production').

It is not surprising that the capitalists and their economists do not know that they too have bodies. They could have become aware of the fact that they too have bodies only if they ever put them to 'work'! They always relegate their bodies to a corner just as dead bodies are buried. They always keep them so useless that they do not do even a minute work. That is why they became as good as non-existent. That is why the labour power appears to them as something that workers alone possess and they don't possess. If hands too constitute property, why don't the capitalists, who are mad after 'property', make use of this property? They could thereby secure for themselves the profit for their capital as well as the wages for hands.

The invaluable theory of an 'intellectual' named Bentham is that the power that establishes a relationship between the capitalist and the worker is the 'selfishness' of both the parties. His theory is that the capitalist and the worker seek their own interest and do not think of others, that each joins the other in his own interest and that human nature itself is selfish. According to this theory, the capitalist is selfish and the worker too is selfish and each seeks his own interest. This theory would appeal to the capitalist pretty well. He does not mind being described as selfish. What he wants is that the worker too should be proved as selfish. **What**

he needs is that his exploitation should be lost sight of under the great truth that 'all humans are selfish'.

What is the 'selfishness' of the worker? Does it lie in not giving his entire labour to the capitalist ? Or, does it lie in saying that what he is getting is not sufficient for him; that he is not able to live on it and hence he needs some more? This might be the selfishness that the worker is seeking. It means that this theorist is asking the worker to be 'self-less'? Do we say that "he is asking the capitalist also to be selfless". The point here is not asking the 'capitalist also'. He should ask only the capitalist and the capitalist alone. He should ask the capitalist alone and none else. **There is no need of telling the worker something that should be said only to the capitalist.** Such theories as these that treat the capitalist and the worker alike will appear in many forms yet. They club together good and bad. They club together justice and injustice. All these conceptions are quite appropriate for 'capitalism'. For the capitalism which evolves theories on the basis of superficial things ! Such a system, which holds everything upside down, does not merit a more correct and a more revealing theory than this nor does it have any ability to get it .

18) The external cause either for the 'value of labour' or for the 'value of labour power'

We have already seen that the value of 'mental labour' and the value of 'manual labour' are not equal but different. It is natural for the values of different labours to be different.

Similarly, if we consider their labour powers, it is also natural for the values of those labour powers to be different.

We are considering the same thing in both the contexts when we speak of the difference between the values of different kinds of labour or when we speak of the difference between the values of different kinds of labour power. The thing we are considering is the difference between two values.

However, the question whether that difference is simply adequate or more than adequate depends on the nature of the society. That difference would be 'very great' if it were in the societies based on exploitation and would be 'simply adequate' if it were in the societies opposed to exploitation.

The internal cause for the formation of value at a certain level for a labour is the value of labour power. The external reason is the nature of the society.

The expenses, the time etc., necessary for a labour power constitute the internal cause for the formation of value at a certain level for a labour power. The external cause is—the nature of the society.

There need not be any 'abnormal difference' between the values of a mental labour and a manual labour (or, between a skilled labour and an unskilled labour). Because, either to learn a mental or a manual labour, both the learners require the same kind of food. Their residences, their clothing and other needs should also be alike. But, the difference lies in the expenses and the time pertaining to the work that is sought to be learnt and in the labour of learning it. If the difference in the labour values hinges upon this point alone, it cannot be a very big difference.

However, in determining the value of different kinds of labour, the 'nature of the society' within which those kinds of labour are carried out, operates as an important 'external cause'.

If we consider capitalist society, (we may consider any society based on exploitation), that society requires the support of the 'mental labourers'. It seeks to turn the mental labourers into its defenders. The society thinks that it is through the mental labour that the 'productive forces' are being developed. Moreover, mental labourers also serve in diffusing ideas favourable to the capitalist society in such cultural spheres as education and arts. The sections that perform manual labour hold a sense of respect and confidence toward mental labourers on account of the 'internal reason' of mental labour possessing higher value and manual labour possessing lower value. Owing to this situation, mental labourers can exercise their influence and domination over manual labours. The capitalist class utilises such a situation as this in its own favour. The exploiting class seeks to mould mental labourers so as to 'serve' it in matters of science on the one hand and of culture on the other. It manages to accomplish this by according a special status in matters of wages or any other aspect.

Instead of maintaining as much difference as is naturally necessary between manual labour and mental labour, capitalist society reduces the value of manual labour much below its justified level while enhancing the value of mental labour much above its justified level. That is, it widens the 'gap' between the value of manual labour and mental labour, and

recognises those values with so much difference. This difference gains currency in the capitalist society.

In the capitalist society, there will be 'laws' relating to the 'wages'. The government makes these laws depending on the customary conditions prevailing in the society.

These laws decide such issues as: how many levels do all kinds of labour in the society consist? What sorts of labour constitute a particular level ? How much wage should a given level of labour have? What should be the difference between one level and another, and so on. But, it is needless to say specifically that not even a single capitalist would care about these 'laws'. While it is so, the laws make decisions that cause more harm to the manual labour than to the mental labour. They (the laws) fix the wage of the mental labour many times higher than the wage of the manual labour. However, for doing so, the difference that exists naturally between the value of those kinds of labour serves as the basis. The exploitative government, based on that situation, further widens the difference. Or, whether the government fixes 'wages' or whether a certain kind of wages prevail in the society unrelated to the government's decision, the wages of mental labour and manual labour will have big differences between them in society.

Let us see an example: To make our example simple, let us consider only two kinds of labour only: one manual labour and one mental labour. Let us suppose that workers in the 'manual labour' and 'mental labour' exist in an equal number. Let us also suppose that the two kinds of labourers performed a living labour (v+s) of 100 value for a commodity. Since the labourers and the capitalist have to share only this part, let us see only this. Here, reference to 'c' is completely irrelevant.

All the labourers together performed a labour of 100 value. Let us suppose that out of it, 50 were towards the wages of all the labourers and 50 was surplus value.

Let us suppose that giving 30 out of the 50 'wages' for mental labour and giving 20 for manual labour is 'justified' in view of the specificities of those kinds of labour. Let us assume that by doing so, both the mental and the manual will receive their 'value of labour'. Then the difference between the values of those labour powers will be 10. Let us assume that such a difference is natural. However, there is a scope to distribute those 50 wages between those kinds of labour in a different way. 35 may be given to various kinds of mental labour and 15 may be given to various

kinds of manual labour. The difference is 20. Or, 38 may be given to mental labour and 12 to manual labour. The difference is 26. Or 40 may be given to mental labour and 10 to manual labour. The difference is 30. Thus, the share that goes to manual labour may be diverted toward mental labour to a large extent. Then the questions such as these may arise: "If you do (distribute) like this, how will the needs of manual labourers be met? Their needs will not be satisfied even at a minimal level, isn't it ?". Yes, they will not be satisfied. Not even at a minimal level. Then, the manual labourers will exist in poverty. They will ruin faster and faster. This is what actually is happening now. If the manual labourers get wages at a 'minimum level', they would not have been in a dreadful poverty. The share, which they get, would be at the minimum of a minimum level.

The point to be noted here is that the capitalist class will not give up its 'surplus value' in order to give 'more' to mental labourers. It seeks to attract the mental labourers by diverting what is due to manual labourers towards the mental labourers.

What happens due to this is—the difference between the value of one labour power and the value of another labour power will be 'excessive' instead of being 'reasonable'. The basis for this kind of excessive 'difference' is the exploitative nature of the society. Which means, if the difference of 10 between the values is due to the internal factor, the excessive difference is due to the external factor called 'nature of the society'.

If the difference between the values of 2 kinds of 'labour powers' is excessive, the difference between the values of those kinds of labour—which are performed by means of those 'labour powers'— will also be excessive. It is because the 'values of different kinds of labour' will be according to the 'values of different kinds of labour power'.

Whether we consider 'labour' or 'labour power', it is natural that the difference between their values is simply excessive in a society based on exploitation. If that society is not a society based on exploitation, it won't allow the difference between the values to be excessive since it won't be 'careless' towards manual labourers. Therefore, it won't allow the difference between the values to be excessive. It raises the value of the manual labour power and lowers the value of the mental labour power and thereby it maintains that difference at a reasonable level.

In a capitalist society, there will be many hierarchical differences among various kinds of mental labour and manual labour as well. To

make the example simpler, let us assume that all kinds of mental labour are of 2 tiers and all kinds of manual labour are of 2 tires. Of the total of 4 tiers, the mental labourers in the top tier lead quite a comfortable life 'economically'. The manual labourers in the bottom tier lead the most miserable life. The other 2 tiers that lie in between these 2 tiers (belonging to a lower level in mental labour and a higher level in manual labour) lead a moderate life, satisfying the minimum wants. On the whole, barring the sections of higher mental labourers, all others in the 'labouring class' live in poverty with minor variations.

In a capitalist society, we cannot compare a tailor's income with a doctor's income or the income of a labourer who tills the land with an engineer's income, in any aspect. There won't be any resemblance in the lives of those two types of persons either in food or in clothing or in housing or in any other thing.

The capitalist society needs scientists, engineers and other intellectuals who can be of 'devoted service' to its requirements. The exploiting class of capitalists offers a very high value to this type of mental labourers and makes them its servitors. Intellectuals of high order performing those kinds of labours devote all their intellectual energies to discover techniques and methods favourable to the capitalists. They do not do this gratis. They do it while receiving a fitting reward as a rule.

In order to see the difference between the values received by such employees as doctors, scientists, engineers and professors who belong to higher kinds of mental labour on the one hand and labourers who perform manual labour on the other, we have to first see the question of 'wages'. They have a 'wide' gap. The difference between wages would even be ten times. It is not enough to see only the wages. There is also a thing called 'privileges'. The privileges that are available to higher mental labourers will be at a very high level. Big residences either free of rent or at nominal rent, free cars, free phones, free medical care, free luxurious travels, special grants in the name of research and scientific tours, first class travels many a time in a year in the name of seminars and the like, huge dinners and so on. Thus intellectual labourers of higher order will have many 'privileges'. It means that these top mental labourers are consuming as much value as that of the wages plus the values of the privileges.

The lower order of manual labourers will have literally gruel, loincloth and hut! We may even say that there won't be a hut at all.

Unimaginable poverty to these labourers! The manual labourers of a slightly higher level get a semi-starvation level of food and a single-room residence. Or a residence of two congested rooms. The comforts for manual labourers are no more than this.

The difference between the value which the high order of mental labourers receive and the low order of manual labourers receive is on the order of a hundred times. The exploiting class established the living conditions of manual labourers and mental labourers in such a way that they stand aloof from each other as if they are unrelated to each other . It upholds the contrast forever.

After seeing the tremendous gap between what the lower level manual labourers receive and what the higher level mental labourers receive, can we say that all this is a natural difference? Can we say that the whole of this difference is due to the difference between the values of the labour powers? If this difference is seen with such an understanding, it amounts to a totally exploitative understanding.

It is correct as a general rule that mental labourers too are subjected to exploitation in capitalist society. But the situation of the higher mental labourer is specific in nature. We should not think that these labourers too get only the 'value of their labour power' and that these labourers also lose much of their surplus value. It is a 'general law' that every labourer that works under a capitalist gets his/her 'value of labour power'. **No general law applies unchanged to all specific circumstances.** The condition of higher mental labourers and the condition of the lowest manual labourers are not alike. **It means that they are not exploited at the same level.** At times, there may not be any exploitation of higher mental labourers. The conditions obtaining under one capitalist may be different from those under another capitalist, in regard to higher mental labourers. Taking two engineers of the same type, one of them might be working for a big capitalist company and drawing a very high wage while another might be working under a small capitalist and might be subjected to exploitation. We have to understand such specific things as these according to their context. Here, the general point is that we should not understand that **higher mental labourers too lose the same proportion of the value of their labour power in the form of surplus value just as the manual labourers of the bottom level do.**

It is the manual labourers that are first subjected to the worst exploitation in an exploitative society. Next comes the mental labourers

of a lower level. The mental labourers of higher level come only later. Some of the higher level mental labourers might never be subjected to any exploitation.

In an exploitative society, every individual who performs a higher mental labour and earns enormously feels that he gets his income by the 'sweat of his brow'. When those who extract profits, interests and rents without performing any labour feels that their incomes are the fruits of their toil, there is nothing to be wondered when a person who performs some labour or the other feels that his entire income is the fruit of his toil. But the whole thing is a big illusion.

If either a doctor or an engineer or some other individual who performs a higher mental labour and earns enormously looks at his income and says to himself, "All this is the fruit of my labour. I am earning by working hard. My labour possesses so high a value and that is what I am taking as my own share from the mass of production", it means that that person has lost himself in great ignorance or self-deception. Manual labourers should in fact enjoy a part of the produce, which that person received. This higher mental labourer is able to get so great a value for his labour, only because of the 'generosity' of the capitalist society. In fact, such a high value is not 'natural' to that value.

Labourers of all sections as well as exploiters of all sections have to share among themselves the sum total of what manual labourers and mental labourers together produced, isn't it? The capitalist economists describe the part that goes out as wages for the entire 'labouring class' from the 'mass of production' as the 'labour fund'. They mean that it should go in lieu of 'doing labour'.

This amounts to saying that 'wage is the value of labour'. It is the 'labour fund' (sum total of wages) alone which has to split into many parts and reach the sections of the labouring class. Keeping aside the differences in the respective portions of the 'labour fund' that reach the different sections of the labouring class, it is the 'labour fund' that goes as a whole to the entire labouring class. In fact, it is the 'value of the labour power' of that class as a whole. The working class should receive at least that part of the 'total production' in order that it should give its various labour powers. If we divide that class into sections and see which section gets what part, then we will find all the differences mentioned earlier.

We do not accept the term 'labour fund' for it gives a meaning that 'only this, and only this much, is the fund that ought to belong to the 'labourers''. The real labour fund is what the entire labouring class has produced, and but not merely some part of the 'labour fund'.

In the view of the capitalist economist, the capitalist class should get, for the sake of profit, interest, rent and so on, the part of the 'total production' which remains after 'labour fund' is deducted from it.

But in our view, all that remains after the 'labour fund' is deducted from the total production is also labour fund. That is 'surplus labour fund'. That is 'surplus value'.

19) Do all wages give surplus value?

In daily life, not only 'workers but many kinds of 'employees' get wages for many kinds of jobs. Ministers, governors, judges, soldiers, writers, actors, gardeners, cooks—thus, these people do many kinds of jobs and receive wages. Do all these wage earning employees produce surplus value? Does it mean that every wage earner is subjected to exploitation? We will see these questions in the chapters on 'productive labour and unproductive labour' and 'costs of circulation' in the next volume.

20) Even if all persons do labour, the problem of 'inequality' will not be solved!

What is the solution for the 'exploitation of labour'? We have seen that all persons should do labour without letting any 'non-labouring class' to exist.

"All persons doing labour"—what does this mean? Let us suppose that every person is doing 'some labour or the other'. Then, does it mean that all the features of exploitative society have been eliminated?

Let us assume that we have abolished the capitalist state power. The construction of a new society, whereby 'private properties' are transformed into 'collective properties', has commenced. In that new society, everyone is performing some labour or the other and getting the 'value of his labour'. As the children, the old, the sick and the physically handicapped cannot work, every person who labours has to give up a part of the fruit of his/her labour for the sake of maintaining them. Let us suppose that, except such part, which has to be given up, each will get

the rest of the value of his labour. Now, there are no 'land rents', no 'interests', and no 'profits'. There are not any such differences as 'capitalist' and 'worker'. All persons will perform 'some labour' or the other and receive the value thereof. Let us suppose that the whole thing is taking place quite correctly, accurately and without any fraud. Does it mean that, with this, the question has totally been resolved? Is this the 'new society'?

Let us now see certain circumstances in order to know whether this is the 'new society' or not and whether 'exploitation' has ceased to exist.

All kinds of labour will continue to exist as they existed in the exploitative society with all such differences as tailoring, weaving, ploughing, teaching, medical practice and driving. These differences among various kinds of labour will never disappear. When differences among the kinds of labour are indispensable, differences in the expenses for their 'labour powers' will also be indispensable. The expenses on a doctor will be more than those on a tailor. The labour time taken for learning medicine is more than the labour time taken for learning tailoring. This situation will keep the values of those kinds of labour different even in the new society.

We assumed that in the 'new society', there would be no calculations of value at all and that products would be consumed without calculations of value, purchases and sales, isn't it? But, the new society begins even before such changes take place. Which means, the new society begins with the abolition of private property while calculations of value exist as ever. 'Value' will have to be done away with only by means of changes that take place after the commencement of the 'new society'.

Every person (whether a man or a woman) performs some labour or the other and receives the value of that labour. But all kinds of labour do not have the same value, isn't it? If some kinds of labour have a higher value, some other kinds of labour will have a lower value. If persons who perform labour of higher value receive more value, those who perform labour of lower value receive less value. The 'new society' starts at this juncture.

However, the difference between the value of a 'mental labour' and that of a 'manual labour' (or, between the value of a skilled labour and that of an unskilled labour) will not be as great as it was in exploitative societies. The 'external characteristic' known as 'the nature of the exploitative society' that causes so wide a gap begins changing here.

The new society reduces the wide gap between the values of various kinds of labour which exploitative society created. Which means, the new society reduces the wages of mental labour to some extent and raises the wages of manual labour to some extent. It abolishes the privileges of mental labourers and makes certain facilities available to all in an equal measure. The new society will be able to achieve this change immediately. It is possible to do so.

Even the new society cannot remove the indispensable difference between the value of mental labour and the value of manual labour. It is not necessary again to see here afresh what is likely to happen if we want to remove that difference. Whatever had happened earlier when we assigned the same value to medical practice as well as tailoring will happen here also. Due to that, in course of time, their values will invariably become different. It is not possible, therefore, even for the new society to assign the same value for all kinds of labour. That society can, at best, see that differences in the value of various kinds of labours are not excessive, but it cannot remove the differences altogether.

While certain kinds of labour are of higher value and certain others of lower value, what would be the consequences if each person does any one labour only?

We have to examine this consequence both from the perspective of 'value' and the perspective of 'use value' as well.

First, let us see from the perspective of value.

If a person does tailoring, another practises medicine. If the tailor has a low income, a doctor will have a high income. The higher income of a doctor might be the result of his own labour. It might not have been earned by exploiting others. Yet, the situation will be such that the income of a person who performs a labour of lower value will always be less and the income of a person who performs a labour of higher value will always be more.

Shall we say, why do not all persons learn various kinds of labours of higher value right from the beginning? Then, does society need medicine alone and not need tailoring ? Does it need only mental labour and not manual labour?

Society needs all kinds of labour. There should be certain persons engaged in each labour. It is a must.

There will be differences of 'more' and 'less' among values of various kinds of labour. It too is a must.

Bound by these two conditions, when a person performs only one labour, there emerge some differences in such a way that certain persons get low income and certain others get medium income, while yet others get higher income, throughout their lives. All those who get low income form one section and all those who get medium income form another section, while those with high income form yet another section.

The offspring of those who get higher income go in for more expensive studies and learn more expensive skills. Like their parents, they would go again into the kinds of labour with a higher value. On the other side, the offspring of those who get low income find themselves performing again labour of a lower value.

Even if we assume that society itself bears the expenses of children's education up to a certain level through a social fund, there won't be a big change. Variations in parental income are bound to affect the living conditions of children in one way or the other. Thus, owing to the condition of 'doing only one particular labour', differences in income will necessarily arise and people still will remain in 'inequality'. Then how can we say that 'equality' has been established in the new society ?

Keeping aside the question of different 'values' of different kinds of labours, we will now see the question of different 'use values' of different kinds of labour.

Every person performs 'only one labour', isn't it? That is some do tailoring, some medical practice, some teaching, some driving, some sweeping the roads, some cleaning drainage and so on.

Every labour is necessary for human life. But, when a person does the same kind of work throughout the life, it becomes monotonous. Whatever be the nature of the work, 'doing the same kind of work' every day and every hour throughout the life will torture that person terribly. A tailor always tailoring, a weaver always weaving, a ploughman always ploughing, a driver always driving, a sweeper always sweeping the roads, a sewerage-cleaner always cleaning—thus, such a condition in which a person does the same sort of work every day and every hour makes that person a soulless machine. It creates an aversion for the 'work' itself and kills the real pleasure of work.

It is very wrong if anyone thinks that this feeling of monotony is caused only in manual labour but not in the mental labour.

Even if a doctor or a teacher foolishly declares, "I never felt monotony in my work", persons who perform manual labour will not say so. There is no scope at all for a person who always drives lorries, for a person who always digs mines, for a person who always carries loads, for a person who always does cooking, not to feel his/her work monotonous.

While considering a person who is always engaged in cleaning sewerage pipes and another person who is engaged in the writing work even without getting down from the chair alike, if we say, "Both are working alike", does it mean 'working alike'? Does it mean that the two have become equals? No.

Owing to the fact that a person performs the same labour always, certain sections have to remain always in various kinds of manual labour, while certain sections are always found in various kinds of mental labour; everything just as in the old society. There is no scope for these sections of manual labourers to develop intellectually and culturally. This condition continues to keep people occupationally divided as in the past. If all those who perform mental labour constitute one section, those who perform manual labour fall into another section. Each will have its own problems and way of life. Which means, the condition in which a person performs the same labour, besides culminating into a cruel punishment for any person, also keeps human beings divided into various sections.

The confinement of human beings to unequal conditions of labour is a characteristic inherited from the exploitative societies only.

Seen either from the angle of 'value' or from the angle of 'use-value', the condition wherein a person performs the same labour is full of contradictions. It is not useful for the unity, equality and development of various aspects of human beings.

The 'division of labour' in which a person performs only one labour throughout the life is a division of labour, which has capitalist character. (We will see this in greater detail in the chapter 'Manufacture' of next volume). If a person performs the same work, he would soon excel in it so that he would be able to turn out more work in less time. The capitalist needs such a situation. The capitalist is not concerned with the torture

which the persons who do labour experience, and the harm to which their physical and mental health are subjected by this method.

What is the solution to this problem? What is the change that has to occur if humans are to become equal either from the point of view of 'value' or from the point of view of 'use-value'? The solution is simply this. A person should perform certain different kinds of labours instead of doing only one labour. When he does so, the problem that arises from the point of view of 'value' and the problem that arises from the point of view of 'use value' as well will be resolved. Which means, **the capitalist division of labour has to be changed into a 'new division of labour'.**

Let us now see how this change should take place.

Let us suppose that there are 100 sorts of labour in the 'new society'. Of these sorts of labour, let us suppose,40 of them are mental labour and the 60 are manual labour. Let us categorise mental labour into 2 grades as upper level labour and lower level labour. Let us categorise the manual labour also into 2 grades. It means that all labour in a society exists at 4 levels.

The various kinds of labour in the 'capitalist society' are of many more levels (many grades). But, to make our example simpler, we have reduced all kinds of labour into 4 groups only. As A,B,C,D groups. Certain kinds of labour together form one group. All labour in that group will have the same value. Which means, all those kinds of labour that possess the same level of value constitute one group. Thus, we will have 4 groups. Let us suppose that the details of those groups are as follows.

There will be various kinds of labour in each grade:

1. **Higher mental labour:** This is the 'A' group. The implication is that these kinds of labour possess the same value. Each of these kinds of labour is a higher mental labour.

   Labour in this grade ..... 18 kinds

2. **Lower mental labour:** This is the 'B' group. All these kinds of labour possess the same value.

   Labour in this grade ..... 22 kinds

3. **Higher manual labour:** This is the 'C' group. All these kinds of labour possess the same value.

   Labour in this grade ..... 25 kinds

4. Lower manual Labours: This is the 'D' group. All these kinds of labour possess the same value.

Labour in this grade ..... 35 kinds
Total labour in the society..... 100 kinds

When it becomes inevitable for all kinds of labour to be of 4 grades with 4 different kinds of value, the condition whereby one person performs only one labour implies 'division of all persons into 4 grades'. Therefore, the change that should now take place is that each person of each group should perform one labour. Each one , according to this method, now gets as his share 2 kinds of manual labour and 2 kinds of mental labour. These 4 kinds of labour possess 4 kinds of value. The labour of 'A' grade labour has a very high value and 'D' group labour has a very low value and the 2 other kinds of labour that lie in between are of 2 different grades of value.

Let us suppose that the labour of medical practice stands as an 'A' group labour. When we say that each person should perform a labour of higher value, does it mean that each person should practise medicine? No. There are 18 kinds of labour in all in the higher grade. If someone performs any one of those kinds of labour, it amounts to performing a higher level labour. If a person performs one labour each from each of the groups, he will have performed manual labour, mental labour, semi-mental and semi-manual labour. **Then the labour of each person thus acquires the same value.** It means that each person performs a labour of the same value.

Let us see this through an example.

Suppose the values of labours in the 4 groups of our example are as follows:

Let us assume that the length of the labour time in all the branches is the same.

Value of any labour in group 1 — 4 rupees.
Value of any labour in group 2 — 3 rupees.
Value of any labour in group 3 — 2 rupees.
Value of any labour in group 4 — 1 rupee.

Let us say an individual performs each kind of labour from each group successively for 4 days. (This does not mean that he/she should change his/her labour daily. We are assuming like this only to make our

example simple.) If a person performs the labours of all the groups successively for 4 days, all the values taken together become 1+2+3+4=10 rupees. It means that the individual performed a labour of 10-rupee value in 4 days.

Another person, let us say, performed labours that are different from those which 'A' performed from those 4 groups. The value of his/her labour too would be 1+2+3+4=10.

Though these two individuals performed different kinds of labour, values of their labours are equal.

Similarly, if each person changes his labour periodically and performs one labour each from all the 4 groups, the value of the labour of all the persons would be identical. Then there won't be such distinction as 'one person did more labour and another person did less labour' does not arise.

This condition leads to a wonderful change—a change that would lead to the elimination of value itself. Elimination of value means doing away with calculations of money. The calculations—such as 'how much wage should a person get and how much income should a person receive? - are no longer necessary.

Since all persons perform 2 kinds of manual and 2 kinds of mental labour, a mass of products, which all persons require, will be created by the labour of all. In producing it, all people do labour alike. The value of one's labour would be more, and the value of another's labour would be less. Therefore, all of them can consume the product in an equal way. Which means, that 'new relations of production' will be formed between people. They will be in relations of equality from the point of view of doing labour and hence it will be possible for them to be equal also with regard to consuming products. It now becomes possible to do away with money. That is, it becomes possible to do away with selling and buying.

We have been arguing right from the beginning that 'value is unnatural'. It should be removed. Human relations should be formed by means of 'use value' and not by means of value. We have to build such 'natural relations'. To achieve it, this alone is the way.

The 'foundation' for the elimination of 'value' cannot be laid as long as the situation whereby a person performs only one kind of labour exists. When one person is doing only one kind of labour, the value produced by one person will be more and the value produced by

another person will be less. That is, they will be unequal in the 'matter of production' and hence they will have to be unequal even in the matter of receiving products. It is not possible in such circumstances to remove value.

No change takes place in society without the formation of the requisite material foundation. The problem of value disappears only when a situation emerges in which all persons labour alike. All this is concerned with the aspect of value.

If we consider the aspect of 'use value', this problem will also be resolved now. The physical and the mental troubles created by the condition wherein a person always does the same kind of work, will not be there when a person performs different kinds of labour. Those sections of labourers who drudge in manual labour all through their life will be able to come out of that life. Every person will acquire various capacities to do both manual and mental labour and thereby develop in various aspects. As a result, there arises equality in the living conditions of humans. For all this to happen, the 'capitalist division of labour' whereby a person does the same work should be transformed into a 'new division of labour' whereby a person can perform different kinds of labour.

We have to consider two more things with regard to the transformation of 'old division of labour' into the 'new division of labour'.

The existing division of labour between men and women should also change. The division of labour between town and country should also change.

Housework and childcare are the special duties of women in exploitative societies. These special duties are obligatory also for those women who take part in production. This 'division of labour' also should change into a new system. Such changes should take place as : 'men performing the work which hitherto stood as women's duties; and women also doing all sorts of labour which only men used to do earlier'. We will see the other details concerning this issue in the chapter 'Productive labour and unproductive labour' in the next volume.

We will see about the division of labour between town and country in the chapter 'Large-scale industry and Agriculture' in the next volume.

Now, an important question here is, 'Can every person perform various kinds of labour, more specifically, 'higher kind of mental labour?' To entertain such a doubt amounts to thinking that those who are now

performing mental labour are endowed with special characteristics, while those who are performing manual labour are condemned to perform them only because they are lacking 'intellect'. It is because of such an opinion that the question, 'Is it possible for all to perform mental labour', arises.

Could a person, who is now a great 'engineer', become a great engineer as he is now, if he had been brought up in a poor family, herding cattle without entering a school at all?

It is true that mental abilities and capacities of humans also vary just as there are differences in the physical abilities and capacities. But, differences in intellectual abilities and capacities do not stand in the way of performing mental labour just as differences in physical abilities and capacities do not stand in the way of performing manual labour.

If there are no external conditions favourable to a person's abilities and capacities, the fact that the person possesses those abilities and capacities will never reveal itself.

Everyone having a brain can perform 'mental labour' just as every one having a body can perform 'manual labour'. 'Mental' abilities are by no means the property of certain sections of persons. It is possible cent percent for any one having a sound mind and a sound body to learn certain kinds of manual labour and certain kinds of mental labours.

Only 'arts' cannot be learnt by people by mere practice alone. Painting, writing, music, dance and other capacities constitute arts. They can be performed both 'mechanically' as well as 'creatively'. If creative power alone could be considered as 'art' and if the 'natural sensibility' pertaining to it is there in the brain even by birth, practice helps it in unfolding and developing. A person who is lacking in artistic sensibility might go on practising an art without much use.('Natural sensibility' in relation to 'art' is not something that is divorced from 'material' conditions. Any thing in the brain is a material thing. This is not to describe 'art' as something that is unrelated to the brain. But, everyone has a brain and yet everyone will not have 'art'. The specific sensibility pertaining to 'art' is there only because of some speciality in the brain).

But, **aspects related to labour and sciences are not similar to those related to arts.** Any person with normal physical and mental health can learn them by practice. There are variations in the abilities and capacities of human beings. Therefore, variations are necessarily found in the degree of learning them. If some people learn it quickly, others

learn it late. If some have skill in a certain kind of work, others will have skill in another type of work. Generally speaking, keeping aside all these natural differences, all persons can learn all types of labour.

If trained right from the childhood, a person—whether a man or a woman—can learn tailoring as well as medical practice. A person can learn ploughing as well as teaching. A person can learn engineering work as well cleaning sewers. A person can do scientific research as well as cooking . A person can prepare reports for newspapers as well as drive lorries. A person can operate aircraft as well as tend cattle. Thus, human beings can learn not only two jobs each but as many as four or six or ten kinds of work each.

It is not at all impossible for a person to perform some manual labours and some mental labours.

The 'new society' should gradually introduce this 'new division of labour', displacing the 'capitalist division of labour'.

The sections of mental labourers will be as unwilling to take up manual labour as the non-labouring class of exploiters will be unwilling to do labour.

These sections of mental labour raise doubts such as: 'should intellectuals also perform manual labour? Can manual labourers perform intellectual labour?' Those who perform manual are not born as such. But, capitalist intellectuals think so. Intellectuals of this kind think that certain human beings are manual labourers and certain others, intellectual labourers by birth. Children, in the course of growing up, become either manual labourers or mental labourers, depending upon the opportunities, which they get.

In the capitalist society, the sections of manual labourers and the sections of mental labourers are found isolated from each other as if a round circle has been drawn around them. (While there is also a class, which does not do any labour at all). The situation that emerges after the completion of this division characterises certain people as 'intelligent people' and others as 'stupid people'.

It is commonplace that mental labourers occupy a privileged place in the capitalist's view, while manual labourers are viewed with contempt and scorn. In addition to the general opinion that "everyone cannot perform mental labour", another opinion found ruling the minds of everyone is that mental labour alone is responsible for discovering any new thing.

But, this is a part of several illusions existing in exploitative societies. It is not possible to acquire any knowledge or to develop without the unified labour of manual and mental labour put together. (We will see this aspect also in subsequent chapters.) Because of superficial consideration of issues, namely, that 'manual labour and mental labour are separated from each other and that mental labour possesses a higher value in capitalist society', an illusion is created that mental labour alone is responsible for any development.

The exploiter tries to avoid doing any labour as far as possible. But if it becomes inevitable for him in future history, he would seek to take mental labour at least as his share. He would see to it that he gets higher income. That is, he would like to seek to continue exploitation which will not appear as exploitation.

That is why, the question of the 'division of labour' is the most important in the matter of abolition of exploitation. It is a question of 'value' on the one hand and a question of 'use value' on the other. The 'inequalities' between human beings will not be eliminated unless the 'division of labour' wherein a person is bound to do one and the same labour is transformed into a 'new division of labour'. If we don't change a system that facilitates exploitation, it will create the same problems which exploitation creates.

We should not, therefore, limit our 'theoretical knowledge' only to the extent of saying, "All should work and each should receive the value of his work". "All people doing work" is simply the very first step in the process of elimination of exploitation. If the process stops at that point , it retains many features of exploitation. That is why the new society should at once commence the 'process of evolution' of transforming the capitalist division of labour. It should be achieved by means of proper experiments.

It does not mean that humans become a homogeneous mass of physical and mental abilities and capacities as a result of the new division of labour. There will always be natural differences in physical powers or mental powers. But, neither the persons concerned nor society at large are going to be adversely affected by such differences.

The aim of the 'new division of labour' is to provide for all human beings equal rights and equal opportunities of living.

If we understand all this properly, that is if we understand from the viewpoint of manual labour, it becomes clear that the features of

exploitation are not going to be eliminated merely because everyone performs some labour or the other.

We have so far seen all aspects related to 'labour' and 'labour power'.

The process of the capitalist coming to an agreement with the workers and purchasing 'labour-power' is now completed. Both are now starting from the 'labour market' to the 'capitalist's work place.' The capitalist with proud airs in the capacity of an 'owner', as a person of great importance and dreaming of 'profit'. The workers with a sense of inferiority complex that they are servants, with no enthusiasm as those who had sold their labouring shoulders, imagining the money of their 'wages'.

Neither of them is in a mood to think about the good and bad sides of the production that is in the offing!

Questions :

1. What is the relation between 'labour' and 'labour power'?
2. Let us suppose that the 'value of labour' of a worker is 10. What could be the value of labour power?
3. The wage of a worker is 5 per day. What could be the value taken by a capitalist from the worker?
4. 2 grades of workers are working in a capitalist's work place. The capitalist spent 20 for the wages of high-grade workers, and 30 for the wages of second grade workers. The capitalist secured 100 surplus value through the commodity. How much surplus value the workers of each grade have produced?
5. Are you a worker or not? If you are a worker, are you a manual worker or mental worker?
6. Have you ever seen the account of the capitalist related to the commodity? How can you find out how much surplus value is there in it? How can you find out the total value of labour?
7. A capitalist evaded paying wages to the worker. He sold the commodity and took Rs.10/-. The value of its means of labour is 4. The wage to be paid for that is 3. How much did the capitalist evade paying to the labourer?

8. Why is a particular stage in human society called 'slave society', another stage 'feudal society', and yet another stage 'capitalist society'? Are those names like those of the days in a week?
9. How can we say that there is exploitation in a region (in a country)?
10. What are the commodities between which an exchange takes place between a worker and a capitalist?
11. Is there any capitalist country without poverty?
12. Let us suppose that there is a country called 'India' and let us suppose that a capitalist belonging to that country gave lectures in the course of his tour in another country to the effect that "Indians live by their labour". Who are the 'Indians' in the view of that capitalist?
13. Who are 'intellectuals'?
14. The value of money-labour is Re.1 per hour. Let us suppose that the value of the labour of cooking is double that of the money labour. What is the value of cooking-labour of 17 days, at the rate of 4 hours a day?
15. The cloth-capitalist purchased coal from the coal-capitalist. Between whose did the exchange take place?
16. What sorts of labour are performed by those who take 'profit', 'interest' and 'land rent'? Manual labours or mental labours?
17. (1) This property is formed by one's own labour.
    (2) This property is formed by exploitation.
    Whose property is the first one?
    Whose property is the second one?
18. Are you 'independent producers', 'workers' or 'capitalists'?
19. Do you know of any independent producers?
20. If an independent producer employs wage labourers, will he still be an independent producer?
21. Which of the following is correct?
    (1) Worker—gave 12 hours of labour.
    (2) Worker—gave 12 hours of labour power.

22. The unequal exchange between the capitalist and the worker is only an external form of the inequality in the relation of production. Explain. What is the inequality in the 'relation of production'?
23. A worker working in a textile industry purchased rice in the market with some money. With whom did this worker exchange his labour?
24. A tailoring worker saw a cinema-show with the money of his wages. Between what commodities did the exchange take place?
25. A capitalist purchased fish from an independent producer. Between whose labour did the exchange take place?
26. The worker's wage is for the capitalist!-Explain.
27. The value of labour of workers in a work place is 50. Wage is 20. The surplus value decreases if wage increases. The surplus value increases if wage decreases. Change this example in some ways and tell what happens.
28. Special for Artists!

    Draw a picture based on a context in this chapter.

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Chapter 3

Labour - Process
(Process of Production)

The process wherein 'labour' takes place is the 'labour process'. Some 'product' is made because of the 'labour-process'.

The relations concerning the 'labour process' are the 'labour relations' or 'production relations'.

Workers come to the capitalist—to do labour.

But, the master—does not do any.

The relations which form between the master, who does not do labour and the workers, who do labour for the master—are the 'labour relations' here.

As soon as the labourers get down to work, the capitalist does not ask them, "produce a heap of money". He asks them, "weave a cloth" or "make chairs", or else, "print on these papers". Thus, he would ask them to do such things which are necessary to create some 'use value or the other'.

Suspecting that the workers do not work hard, the capitalist goes on moving in the midst of labourers and hastens them saying, "carry on"! Carry on!" It is good for the capitalist to extract as much work as possible from the workers before the 'working time' is over.

If the person doing 'work' is to have real liking for that 'work', that work should be either his or her 'own work' or some 'collective work' done by all with equal responsibility. In any system other than these, where the workers have to work for the master under his 'authority', the labouring persons will be reluctant to do labour. Therefore, the person who is the master has to make the labourers do labour, by means of punishment. This punishment will be of different kinds depending on the circumstances.

In the case of the workers working on the 'wage' system, there will be cuts in the wages and fines.

But, in the case of the 'slaves' where the wage system is absent, there is no scope for cuts in the wages and fines. Therefore, there, the master has no other way except to torture the bodies of the labourers. Therefore, whips also come into the 'work place' where slaves are made to do work. The master needs many other methods of torturing.

Thus, the 'labour process' will be in different forms in different social conditions. It took one specific form in the 'slave society', another form in the 'feudal society' and yet another form in the 'capitalist society'. However, the nature of all these labour processes so far has been the same. That consists of 'punishing' the labourers and getting the work done.

The system of 'punishing the labourers' disappears in the 'collective labour process' in which all people work with equal responsibility. The nature of the 'collective labour process' will be opposite (it means it should be opposite) to the nature of the old labour processes.

Thus, leaving aside the specificities of the labour process, there are certain general features, which apply to the labour processes of all societies. Let us see them now.

There is a distinction in the meaning between word 'labour process' and the word 'production process'. If we consider agricultural labour, it starts with ploughing the land and ends with harvesting the crop and storing the grain. The process that lies between the ploughing and the harvesting need not be continuous. The work ceases in the middle for a few weeks and months. The saplings should grow. This is a change that has to take place naturally. After planting, the work ceases until weeding. After weeding is over, work ceases again until some other operation becomes necessary. Thus, with certain intervals in the middle, the work of producing grain would go on. The span of time right from ploughing the land to cutting the crop constitutes the 'process of production'. It takes that much time to produce grain. But, it is not necessary for the work to go on invariably throughout that span of time. The work will be stopped in the middle. **It is simply that time during which work is carried on constitutes the 'labour process'**. In order to produce the grain, the labour processes would go on with interruptions in the entire period of its production. If the entire time of labour processes were added together, that time (the time during which work is done) would be shorter than the time during which production took place.

The distinction between the production process and the labour process is not found in the case of all products. It is found only where natural changes are required in the on-going production. It is also found in such production as animal husbandry, pesciculture and afforestation.

But in the case of 'industries', however, production process and labour process are the same. There is no need to stop the work in the middle in order to turn yarn into cloth.

We may use the two words 'labour process' and 'production process' to convey the same sense, provided that we don't forget that their meanings differ in certain cases. Since it is the same thing whether you call it 'labouring' or 'producing', 'labour process' or 'production process' also means the same. It is the same thing whether we call it 'means of labour' or 'means of production'. It is the same thing whether we call it 'labour relations' or 'production relations'. Whenever and whichever of these words we use, we have to derive the same meaning.

Let us leave aside the time when human being, in the animal stage, lived like an animal dependent on the substances (fruits, tubers, raw meat etc.,) that nature gave. Let us take into our view only that period when human beings began, with a speciality, which the animal world does not

have, to do labour on their own. **The process of labour is a process in which both humans and nature participate.** Humans act on the material offered by nature. By means of their labour, they turn the natural objects into such forms as they want. In this process, they get to know, through experience, the properties of objects, which nature gave, more clearly and acquire manual and mental powers required utilising them in a larger measure.

It is needless to state that, when we speak of 'labour', we only mean 'human labour'. In nature, we find that certain creatures perform a kind of labour. The spider does the work of weaving that resembles the 'weaving' work by humans. The bee constructs its honey hive so beautifully that many an architect may feel ashamed. But, however active a bee may be and however stupid an architect may be, the difference between them is very big indeed. Human beings, first see, in the 'imagination', the work they intend to do. They think about it. They develop their abilities and capabilities by means of their experience. They formulate the principles related to the work, which they perform. A bee does not possess any of these attributes. It constructs its hive only by natural instinct. **Let any number of thousands of years pass, the bee constructs its hive in the same manner. It does not learn by experience and change the way of constructing the hive.** It does not require such a change. Therefore, there is no comparison between humans and animals with regard to 'labour'. **What humans perform might be called 'work' or 'labour', but what the animal performs cannot be so called.**

The labour process (performing labour) is something that is special to human society.

Earth is the sole universal 'means of labour' for human labour. All products are derived from it. It is possible to get from earth various kinds of products with certain differences in the 'labour process'. The earth keeps within itself certain objects naturally, with no relation to human labour. What humans have to do is only to take them out of the 'hold of the earth'. Plucking fruits from trees, cutting timber, taking water from rivers, hunting animals in forests, catching fish in water, extracting minerals from the mines and so on come under this category. These are 'extractive' labour processes. In the labour processes of this category, we find labouring people and instruments of labour only. There won't be 'raw material'. If the material given by nature were extracted, that material itself would constitute the product derived from that 'labour process'.

That production might not be in the stage of immediate use. Fruits plucked from wild trees (those fruits come to hand only if the labour of 'plucking' is done) could be used immediately. But fish caught in rivers cannot be used immediately. Some more labour has to be performed upon them. It means that fish come to land merely as raw material.

'Certain type of materials' taken out of the hold of the earth are as a rule, in the form of raw materials. A crude mineral does not reach the stage of use until it is subjected to many more changes. So also are hunted animals. Some or other dish has to be prepared yet with them. **'Raw material' means, that is a material upon which some labour has already been performed but which cannot yet be put to use until some more labour is performed.** No material can be regarded as the 'raw material' until it reaches the stage of being useful for humans. A material that is ready for use can no longer be a raw material.

Domesticated animals and trees planted by humans are products of labour process of a certain length of time. Moreover, they are the result of gradual evolution extending over many generations by through the supervision of humans and their labour processes. The animals and the trees remain raw materials to the labour processes until their rearing reaches completion.

If we consider 'instruments of labour', we can imagine a labour process without raw materials but we cannot imagine a labour process without 'instruments of labour'. Even while humans were in the animal stage, they made use of stones and sticks as their implements. That is, one can understand the need for 'instruments of labour' to perform a labour. **Just as earth is humans' 'natural mine of food', so also it is the 'storehouse of natural implements of labour'.** It provided stones that could be useful in many ways. Out of the stones that earth gave them, humans are able to produce with slight changes stones for different uses like pounding, grinding, chipping, cutting, pressing and so on. But, in the case of producing certain other instruments of labour, slight changes in those given by the earth are not sufficient. They have to be produced with big changes and vast labour processes.

The earliest instruments of labour which humans used are stones and the like and tree branches where no human labour was yet added to them.

If we pick up and use a stone lying on the earth or a branch of a tree, it is a naturally found instrument of labour. Let us suppose that the

stone lying on the earth could not be used as it was and it had to be shaped a little. A person has to do 'some labour' either to shape or chip a stone with another stone. Thus, the stone, which is turned into an instrument, will become "an instrument made of human labour". Let us suppose that some work such as 'digging roots' has been done. The roots come out when that work is completed. That is a product obtained due to the labour called 'digging roots'. However, that stone too was necessary to obtain this production. It means that the labour concerning the instruments of labour too was necessary.

The point which we have to understand here is not that whether there are calculations of value or not. Whether or not we calculate as value the labour necessary for some 'production', it simply means that a given total labour was spent for that production.

The fact—that some amount of labour from the instruments of labour gets added to the production created in a labour process— had begun thousands of years ago since the stage of stone instruments of labour made of human labour.

Let us suppose that a labourer is digging up the earth today with a pickaxe. When we calculate the time required for this work of digging, not only the time for digging but also a part of the labour that was necessary for producing the pickaxe would constitute the time necessary for the work of digging. Certain instruments of labour are also spent for producing this pickaxe. Certain other instruments of labour must have been spent in producing these instruments of labour also. **If we go backwards in this way examining the labour that was added by the instruments of labour, we reach these stones only.** If stones without any component of human labour were used for a purpose, there would be no labour in that work which has come from the instruments of labour. **But, when we begin to use stones that have been somewhat altered by human labour as instruments of labour, the labour embedded in these instruments of labour too begins to add to the production.**

It means that the labour of primitive humans in producing stony implements has reached us and stands even today.

Besides stones, pieces of wood, bones, shells and the like made for different kinds of work, 'domesticated animals' too had played a very important role as 'instruments of labour' in the earliest times of 'human history' when people began to labour.

The feature of employing 'instruments of labour' is also there among certain kinds of animals. Monkeys use branches of the trees and stones for certain purposes. But they cannot change them into other shapes. This is the lowest degree of knowledge in making use of the 'instruments of labour'. **Producing instruments of labour by means of labour is the unique characteristic of humans.** As it is only humans who labour, producing instruments of labour too is a feature that is specific to humans. An economist named Franklin called the human being a "tool making animal".

The remnants of the instruments of labour of the past enable us to understand 'economic forms' of past societies just as bones and skeletons of extinct forms of life enable us to understand their physical forms. It is of no use merely to know what was produced in a particular society in order to understand the 'economic form' of that society and the level of its productive forces. **It is necessary to know about the instruments with the help of which those products were produced.** If we know that 'corn was produced in such and such a time', we would not thereby know anything about the degree of the development of productive power in agriculture at that time. Corn is produced in any society and in all societies people were producing corn since they had come to know of cultivation. One should get to know such particulars as: With what sort of instruments did they use to till the land? By ploughs or tractors or in another way? What sorts of instruments were used in cutting the crop? With sickles, or harvesters or some other type of instruments? The level of development of the labour process and the state of the society, which organises the labour process, will be known only when the facts about the instruments of labour are known.

On seeing that 'production' is being done with the help of a heavy machine, it will be known that it is being done for the sake of hundreds and thousands of people and not merely for the sake of 'one individual' or 'one family'. Moreover, it will be known that instead of one or two people, hundreds of people are participating in the 'labour process' with some unity. One cannot, however, know, on merely seeing that instrument of labour (a heavy machine), whether the production is carried out with an objective to 'sell' the product or to use it collectively without any 'consideration of value'. Both the capitalist who gets the commodity produced only for sale as well as the society where there are no sales employ a heavy machine. Both the slave who tills the land under the supervision of the slave-master and the independent peasant make use of

the plough. We will not be able to grasp the nature of the 'labour relations' under which a particular instrument of labour (a plough or a heavy machine) is being employed. In order to understand that thing, what we have to see is 'conditions of labour' instead of either raw materials or instruments of labour in the labour process. Which means, **we have to see 'human relations' in the 'process of labour'.**

'Labour process' is the process of producing 'use values' which are necessary for humans to live. Labour processes are indispensable for making the things, bestowed by nature, amenable for use. It is an eternal condition which the nature imposed upon human beings. **The human beings would have to revert to animalhood if they ceased to do labour.** Which means, man would have to hunt again like animals, gathering fruits and nuts and live naked in caves. If there were no labour, there would be no clothing, no residence, nor any products. Then, animalhood would be inevitable again. **It is only the 'labour' that fashioned the 'human animals' into 'human beings'.**

Labour process is indispensable irrespective of the nature of the 'social stage' in which humans live and irrespective of the nature of 'labour relations' among humans.

It is, however, subordinated to the 'nature' of 'labour relations'. Which means, **all the features relating to the process of labour depend on the 'character' of those relations, in which humans exist.** Both the form and nature of the labour process are necessarily in tune with the interests of the 'class' under whose class authority the labour process is conducted.

The labour process carried on in 'slave society' possesses a specific form and specific nature. It is a speciality formed with the features like the instruments of labour, methods and conditions of work, rules and regulations and so on pertaining to that age. It is all a part of that specificity that overseers walk about the work place with whips and canes in hand and that labourers work with bent heads, surrendering their bodies to blows.

The labour process in 'feudal society' too has its own specificity. But, the form and nature of the labour process of the slave society have slightly changed here.

The 'labour process' in 'capitalist society' too has specificity.

So also the labour process in the 'new society'. This society will have the character devoid of 'punishment' against labourers and the form appropriate to that character.

It follows that the structure of the labour process depends on the nature of the labour relations (that is, depending on whether they exist as exploitative relations or as relations that eliminate exploitation).

Whatever be the specific form of the labour process, its subjective element is living labour. That is, labouring people. The objective element is the instruments of labour or means of labour.

In exploitative society, means of labour are 'alien' to the 'labour power' (to those who labour). There exist antagonistic contradictions between these two factors (between the internal and external factors) which are needed for the 'labour process' to go on. The labour process in exploitative societies, therefore, proceeds with contradictions.

1) Capitalist labour - process (Capitalist process of production)

The workers do labour for the capitalist and take wages. That is, they sell their labour power.

'Labour power' begins to exist as a 'commodity' that can be sold and purchased.

An unimaginably long period of time had passed between the stage in which the human beings were coming out of the animal stage and learning to do labour gradually and the stage in which the labour power became a commodity.

The natural characteristic of labour process is to produce use values that satisfy necessaries of life. But, the natural characteristic of the 'capitalist labour process' is to produce 'value'.

When we speak of 'capitalist labour process', 'capital', 'capitalist' and 'wage labourers' make their appearance on the stage. When the labour process is organised by investing a certain amount of capital, the capital invested should thereby be recovered and in addition some more value should also be derived.

Here 2 points have to be clarified.

(1) The fact that everything spent has to be recovered applies also to a society where there is no exploitation. If we consider a 'natural labour process' where there is no exploitation, even then, everything that has been spent initially for that labour process (all that labour or all those products or all that value) has to come back through that labour process only. Otherwise, there would be no way to carry on the new labour process later.

(2) The fact—that more value (more production) than the value spent (or, than the production spent) initially by the master for a labour process has to come through that labour process—applies not only to the capitalist society, but other the exploitative societies as well. **Consider any exploitative society; the exploiting class lives only if surplus labour is done in a given labour process.** Therefore, it is not the specific feature of the capitalist labour process alone that more value should come through what has been spent by the master. Yet, we are taking the capitalist system as the representative of all the exploitative systems. Therefore, we see all the factors relating to the 'exploitation' mainly through the capitalist system and if necessary we see the past exploitative systems as well.

The aim of the natural labour process is to produce the 'products' required for living. This is the 'use value perspective'.

The aim of the capitalist labour process is to get more value (than the capital value) produced to the extent possible. This is the 'value perspective'.

However, it is not possible to produce 'value' singly and separately. Value cannot stand apart from use value. The use value can stand without value, but value cannot stand without use value. For the value to exist, the existence of use value is indispensable. Only if an object is produced is it possible to sell it as a commodity and retain profit. That is why the capitalist also chooses some use value or the other but does so from the value perspective.

The way the capitalist thinks is not as follows: which articles are necessary for humans, which of them are good and which articles naturally suit or do not suit their physical and mental conditions and so on. "What is the article whose production and sale would secure 'more profit'?"- This is how capitalist views the matter. If 10 percent profit is obtained from the production of clothes while 20 percent is obtained from the

production of knives, every capitalist tends to run after the production of knives. The capitalist does not think thus: 'why knives? Are they not for killing? Is it not wrong to have them produced and supplied?' That fellow is not concerned whether they are knives or guns or liquor or poison.

In case that fellow chooses production of cloth alone, he does see whether it is from cotton cloth or silk cloth that he can get greater profit. If the guy chooses only cotton cloth, he tries to see whether it is from the refined cloth or coarse cloth that he can get greater profit. The fellow gets into production only after he gains confidence about 'profit'.

If the capitalist thinks of producing an article of relatively 'fine' quality, he does so because he expects that the buyers would purchase his stuff more if it is better than the same kind of article which other producers get produced and thereby he would secure greater profit. Which means, he gets a commodity produced 'well' only with a value perspective; but not with the view that there should be good articles for consumption, that good articles alone would be comfortable and healthy.

A thing can be viewed either from the 'use value' perspective or from the value perspective.

Though the capitalist also gets use value produced, his real aim is not to get the use value produced. If we further see exactly, the aim is not even the 'value'. The aim is only to get 'surplus value' produced. The fellow's objective is the 'surplus value' itself. His entire programme is meant only for that. That is, the 'capitalist production system' is a system of production which is organised from the 'value perspective' alone.

There is a lot of difference between the past exploitative societies and the capitalist society in the case of this 'value perspective', in the case of 'commodity production' and in the case of 'sales' (all these things are the same in their essence). We have to see first what that difference is.

In 'primitive tribal communities' where exploitation did not at all begin or in the societies of slavery and feudalism where exploitation began, production was carried out with a 'need perspective' (use-value perspective) instead of 'value perspective'.

The production carried on in a 'primitive tribe' used to be for the sake of the needs of that tribe itself. All the products, almost all of them, used to be spent for that tribe without any 'exchanges'. The exchanges for that tribe with the other tribes were very few. Even those exchanges

used to take place with a perspective of 'needs'. When an exchange took place between the two tribes in the form of 'barter' system, the products changed hither and thither and later were spent. The aspect of selling that 'production', earning money and hoarding that money, would both be there in any tribe. Though 'money' started during the tribal period itself, the exchanges taking place through the money were almost absent. Out of the 'total produce' of a tribe, the portion going into the 'exchanges' was very small. Even in that portion, the exchanges made by means of money were extremely limited. That is, almost entire production used to be consumed without 'sales'.

If we consider the 'slave-owning' society, though it is the slaves alone who perform labour, what the slaves produce is only for the sake of the 'needs' of the master's family. The needs of the slaves form an integral part of the needs of the master's family since it is the master's family that maintains slaves. The crops grown by the slaves as well as other products are used to a large extent by the master's family alone. Here also, of the 'total production', the portion that goes into sales is very small.

If we consider feudal society, here also, the portion that comes to the 'landlord' as 'rent' is spent on the family of the feudal lord and the portion that remains with the feudal peasant is spent on the needs of those peasant families. In this society also, of the 'total production', the portion that goes into sales is very small.

But the capitalist society is not like that. It is different in many ways from the old exploitative societies.

2) Capitalist system is the commodity production system

Here, the entire production should pass through the 'sales'. Here, the portion utilised without going into sales will be very small. It is almost equal to non-existence. This is how it would be:

Let us suppose that 100 metres of cloth per day are produced at the work place of the 'coarse cloth' capitalist.

per month = 30×100 = 3,000 metres.

per year = 12×3000 = 36,000 metres.

Out of this, how many metres does the capitalist's family use for its own need? As this is a 'coarse cloth', the capitalist's family might not

use this at all. In case it does, let us suppose that it uses 10 metres per year. Then out of the 36 thousand, only 10 meters will not have sales. The remaining 35,990 metres have to go into the sales. That is, the portion utilised without going into sales is equal almost to non-existence. In case the capitalist's family did not use those 10 meters also, the entire commodity has to go into sales. The capitalist has to sell his entire commodity and purchase again the means of labour with the portion of the means of labour, out of that 'money'. If the wages portion is given away to the workers, they purchase necessaries of life with that portion. The capitalist, with the 'surplus value', has to purchase the portion of the products required for his family needs from the other capitalists. That is, 36 thousand metres of cloth go into the sale first. Similarly, other products equal to its value also go into the sale. This is the case of one capitalist.

The same is the case with every capitalist.

Let us suppose that the 'sugar' capitalist gets 2 tonnes of sugar produced daily. (1 tonne = 1 thousand kilos). 60 tonnes per month (60 thousand kilos). How many kilos per month, out of so much sugar, does the capitalist's family use for its own needs? Let us suppose it uses 20 kilos at the most. That is, out of the 60 thousand kilos, only 20 kilos will not have sales. All the remaining products have to be sold. After selling the whole product, the other products equal to that value have to be purchased.

How much coal does the 'coal' capitalist use for his 'family need'? He uses nothing. But, he may use some coal in his 'work place'. Even that portion would not be much! Except that, all the remaining production has to be sold.

Let us suppose that the capitalist of a daily newspaper prints one-lakh copies per day. How many copies does he use for his family need? - One copy. Only that one copy will not have a sale. Except that single copy, lakh copies will have to be sold.

How many soaps, out of his production, does the 'soaps capitalist' use for his family need?

How much oil does the 'oil capitalist' use?

How many radios does the 'radio capitalist', who produces 100 radios per month, use per month?

How many foodstuffs does the 'hotel capitalist' consume for himself?

Similarly, take the case of any capitalist. The portion he uses, for his family needs or for his 'work place', out of what he gets produced, is very small. In the case of some products, even that portion would not be there.

That is, every capitalist has to sell all the products. Each one of them should go into the 'sale'.

If we consider the whole society and if we suppose that the production utilised without going into 'sale' is 1%. 99% of the production should pass through sales. If accounts are properly seen, there won't in fact be even 1% of the production that is consumed without going into the sale. Which means, the 'entire mass of production' should pass through the sales!

In this way, in the 'capitalist system', the 'sales stage' should essentially exist after the 'production stage'. As the commodity being produced is meant for 'sale' only, its production should be undertaken with a 'sales motive' right from the first phase of production itself. (With a motive to attract the purchasers, to lure them and to make them purchase).

That is, **capitalist production system is the production system where commodity is produced only for 'sales'.**

Exchanges and change of things into commodities were there in the past societies also. But, in those societies, the production that goes into sale, out of the 'total production', constitutes a small portion. Therefore, production with a view to sell was not there in the past societies. That is, **though there were 'commodities' in the past societies, there was no system of commodity production.** It is specific to the 'capitalist system' only.

The very existence of commodities and money in the society does not constitute the existence of the 'capitalist system'. They themselves are not causes for the capitalist system.

The material condition that led to the capitalist system of production is the formation of capitalist class which occupied completely the land and the other means of production, on the one hand; and the 'labouring class' which is totally alienated from all the means of production and which sells its 'labour power' based on 'wage' system, on the other hand.

'Labour-power' becomes a commodity only when such a condition comes into existence anywhere in the world. Thenceforth production of commodities begins.

It appears as though 'commodity production' is present in previous societies because of the existence of exchange and circulation of money. But existence of exchanges does not mean commodity production. The production of commodities is specific to the 'capitalist mode of production. 'System of commodity production' is another name of the 'Capitalist Mode of Production'.

What the capitalist seeks from his 'commodity production' is 'profit'! Therefore, another name of the capitalist production system is 'profit-production system'.

'Production system' or 'production relations' or 'labour system' or 'labour relations'—all these words denote the same meaning. If the word 'slave' or 'feudal' or 'capitalist' is added before these words, it becomes the specific character of that society. In this way, the capitalist society consists in the 'capitalist production system' with the classes called 'capitalists' and the 'workers'.

The perspective of the capitalist production system is the 'value perspective'. Therefore, it is a system of production, which is carried on with a 'value perspective'.

If 'value' is to be produced, some use-value or the other has to be chosen. As it is not possible to produce 'value' alone, without producing 'use-values', the capitalist process of production' must therefore be one that produces 'use-values' on the one hand and the 'value' on the other hand.

3) The time sense begins only in the 'capitalist system'

When we speak of ' production of value', it is cent percent bound up with 'time'. The law that the value of a commodity is determined by the 'labour-time' necessary for its production applies more appropriately to the capitalist mode of production. Because the invested capital should come back and also it should surely get a profit. If these 2 results are to be obtained, each and every thing in the production process must and should take place strictly in accordance with the 'value calculations' (according to the calculations of labour-time).

Our capitalist gets the 'cloth' produced. Some more capitalists also get the same type of cloth produced. Let us suppose that it takes a day to weave 100 meters of cloth in all work places. But let us suppose that this capitalist would say to the prospective buyers of the cloth as follows: 'my workers were very dull and slow in their work. Our men did that work in 2 days which is done in one day by all the workers of other masters. I have given '2 days wages' to my workers. More expenditure has been incurred on my cloth'. So, give more money to my cloth'. Will the purchasers be fascinated by his words and purchase that cloth with more value thinking that 'this capitalist is saying that he incurred more expenditure on his workers'? They will not purchase like that. What they would say is this: 'When the same cloth is available to us at a low value with your neighbouring capitalist, why should we purchase from you with a higher value. We will go there itself.' Our capitalist will, then, have to give his cloth at the same value as all others are giving. The capitalist, therefore, has to see that workers do their work 'properly' so that he would not incur more expenditure. Which means that the capitalist has to see that the work is done within the normal limits of the time (so that it does not exceed the usually necessary time). Here, the time sense is most essential in view of the fact that he has to retain profit after selling the commodity produced.

There is no need for strict measurements of time for a particular work in slave society or in feudal society. Because in those societies there exists no such thing as so many hours constitute the time of work and the slaves stop the work after the prescribed time. A particular piece of work might be delayed by four hours to finish.

It does not, however, mean that it is all right even if the slave delays the work to any extent. Even the slave should do a day's work on a single day. If he, instead, does the same work for 2 days, then the expenditure on that slave will increase without an increase in the production obtained through him. If the production obtained through the slave were of a single day, the maintenance of 2 days would be spent on the slave from out of that production. Therefore, it is not possible even for the slave to spend more time than one day to do a day's work. However, he need not observe precisely the calculations of hours.

But, such a situation does not exist in the case of 'workers'. They have to do 10 hours of work in 10 hours only. As the workers leave the 'work place' later, no 'work' is done after that. The capitalist should get 'surplus work' from out of that 10 hours of work only. Therefore, the

labour time of the workers would be in accordance with such strict regulations.

Consciousness of observing correct time in each and every piece of work in the 'work place' becomes necessary only for the capitalist mode of production. That is why 'time consciousness' begins only here. The need of strictly observing time in the process of production will necessarily lead to 'discipline' in social life.

Every capitalist will definitely take care to see that his workers do not take more time than what is necessary to do the work and produce in that time as much as should be produced.

4) 'Alienation' of the workers from the 'means of labour'

The same is true of the care relating to raw materials and instruments of labour. When cloth is being produced, the yarn should not be wasted in greater quantity than what is usually and inevitably wasted. Even if it is wasted in greater quantity, the capitalist cannot go to the market and say thus: "My workers have wasted more yarn. They have broken a loom. I have incurred lot of expenditure on the production of this cloth. So pay all that value for this cloth." He should produce the cloth with the same expenditure as all others produce it. It means that he has to be careful about economy of raw materials and about the care in handling the 'coolies' working in conditions fixed and provided by the owner! These conditions create alienation between the 'person who labours' and the 'conditions of labour'.

But, quite contrary to it, the workers are not at all interested in these things. Because, all these raw materials and these instruments of labour are, for them, 'alien property'. They are the property of the owner. There is no scope for a natural generation of any sense of responsibility among workers to use them with care. Which means the very individual who gets himself down into the 'labour-process' and does labour, will not be concerned with the economy of the raw materials and care in handling the instruments of labour.

'Economy' and 'care' are very good things when seen in isolation. Why is it good to observe 'economy' and 'care' in the case of cotton, yarn and loom? More yarn will be obtained if cotton is used carefully and if wastage is minimised. If the yarn is carefully used without much

wastage, more cloth will be obtained. Similarly, if a loom is used carefully so as to last longer, there won't be any immediate need to use a second loom. More labour-time will be saved and more production will result, if the things and the materials once made are employed economically and carefully.

Let us suppose that a glass-tumbler would have lasted 2 years if it had been used with care; but it broke into pieces the next day itself due to negligent use. It means that the entire labour that was necessary to produce the glass went waste. The entire labour that had gone into its making would have been fruitful only if it was used for 2 years. If the labour does not go waste, the same work need not be redone. That time will be saved. That time might be employed for new needs or for new knowledge or for development in other ways or for rest. If the things produced by labour are not used carefully, human beings are forced to immerse themselves always in labour. They have to suffer on account of wants not fulfilled.

The advantage or the harm, obtained due to careful or careless use respectively of the labour once made, will belong to all human beings alike only when they live in 'relations of equality'. If all persons were labourers and if each of them observed necessary care in their work, some production will not go waste. There won't be any need to turn out new production on a large scale. The labour-time of all will decrease to some extent. Or, if some thing happens contrary to this, the labour-time of all will increase to some extent. Which means that if all are engaged in labour, the results of 'economy' and 'carefulness' will be available to all in an equal measure.

But, in the society based on exploitation, the fruits of economy and carefulness on the part of labourers in a 'work-place' will go only to the owner.

Let us suppose that the labourers of our 'cloth capitalist' use the 'means of labour' very carefully. Let us also suppose that wastage of material and breakage of the tools is very limited here compared to the other work places. Due to that, let us suppose, 5 more meters of cloth are obtained. These 5 metres of cloth are the result of the labourers reducing the expenditure of the means of labour with greater responsibility. Whom does this finished product belong to? Only to the capitalist! That fellow sells these 5 meters of cloth also and increases his 'profit' further. Though the labourers handle the means of labour very carefully, they won't get anything. They get only that 'wage' which was agreed for first. Therefore,

the labourers will not develop the sense of using the 'means of labour of the master' ('property of the master') economically and carefully.

5) The 'Alienation' of the workers from the 'decisions'

The workers are 'alienated' in each and every aspect of the 'capitalist process of production'.

All the decisions beginning from and concerned with a process of production until the sale of its products are those of the master.

The factors required for the 'labour' are labourers and the means of labour!

These factors are 'alienated' from one another in any 'exploitative' society.

Even in the slave-owning and feudal societies, there exist 'alienation' between the labourers and the means of labour! But this alienation is normally more intensive under capitalism. The workers who actually produce the products tend not to have any role in making such decisions as follows with regard to production: What should be produced? How much should be produced? What sort of raw materials should be used? What methods should be employed in the production process? How to distribute the produced commodity? How much value should be fixed for a production to be sold? In what regions should it be sold, and so on. The capitalist makes himself all those decisions himself. The role of the workers here is only to do whatever the owner assigns to them. That is, they have to do only the 'coolie work'.

Let us suppose that the work comes to a halt every now and then as the yarn snaps too often because of the hopelessly bad cotton and the yarn that is taken out lacks the strength.

Is it possible for the workers to decide, arguing thus: "This cotton is not at all good. This sort of cotton should not be produced from next year onwards. Even now, this cotton should be used for some other purpose. It is an awful work to spin yarn from this cotton. It is a waste of time." If such a decision is to be made, it is the owner who has to make it and as for the workers, they should keep quiet and simply work with whatever raw materials the owner supplies.

The same is the case with not only raw material but also with all the means found in the 'work-place'. There is no scope for the people who labour to make decisions on such issues as 'how should the work place be? How should be the instruments of labour? What arrangements should be made for the comfort of the labourers?'—The owner decides everything! That fellow looks at every aspect only from the viewpoint of 'profit'. It is not he who performs labour; isn't it? If he too were one among the workers, his needs would not be different from theirs. They too, like the labouring people, would understand how comfortable the instruments of labour ought to be and how favourable for work the work place should be. But he is now a 'non-labouring owner'! Workers are only 'coolies' working under the conditions decided by the Master. This situation creates 'alienation' between the 'person who labours' and the 'conditions of labour'.

This is true not only in the case of labourers who produce cloth or sugar or shoes. The same situation exists in the case of 'intellectual labour' also.

Be it a doctor or be it a teacher, when he works in the 'capitalist process of production', he finds himself in an 'alienation' from his working conditions. He would have no role at all in 'decisions' relating to his 'work'.

The ultimate consequence of the capitalist division of labour and capitalist alienation is that labourers do not evince any interest in labour and they become averse to labour.

The workers do not know at the theoretical level that they are rendering 'surplus labour' every day and that the capitalist is appropriating it. Even though they do not know that, they would definitely realise that aspect at the 'level of common-sense.' The workers will find out very easily that the capitalist always tries to make them work more and seeks ways of extracting more work from them by pestering them to do more and more work. The workers express their aversion to the 'work' in such words as: 'What do we gain for ourselves even if we work more?' Or 'This amount of work is enough for what you dole out.' Even though every worker works with lack of enthusiasm and interest in his work, he would certainly render 'surplus value' exceeding the value of the 'wages'.

Observing the workers' lack of interest and enthusiasm in work, idlers, who never do any work, make high level comments thus: "The world is falling upon evil times. Workers are becoming 'shirkers of work'."

They cannot believe that it is they who have become 'shirkers of work' and not the workers. The workers too cannot confront them with the question, "Who else are greater 'shirkers of work', if not you yourselves?"

The gang of robbers who characterise workers as 'shirkers of work' believes and would like the workers also to believe that they are the real 'labourers' and that they amassed all their riches and wealth only by their own labour. In a way, the workers too believe it.

6) Main characteristics of the capitalist mode of production

We may briefly understand the main characteristic features of the 'capitalist mode of production' as follows:

(1) It creates more value with the help of the 'invested value'. That is, it holds wholly a 'money perspective'.

(2) It converts every product into a 'commodity'. It creates a gap between production and consumption and makes 'selling' an obligatory stage between the two.

(3) It keeps the actual producers (workers) in 'alienation' from every aspect of the 'process of production' and causes harm to their interests at every step. These are the main features of 'capitalism'.

A new era (a profound change) in the hitherto prevailing mode of production commences at a time when 'capital' comes on to the stage in society. This moment is full of mutually contradictory features. It contains within itself on the one hand certain features which are more progressive than those of the previous mode of production and on the other hand certain other features that are 'more backward' than those of the previous mode. On the whole, it commences with a sharp change from the 'old mode of production'.

7) Money, functioning as 'money' and money, functioning as 'money and capital' as well

If a commodity is 'sold' and money is received and if another commodity is purchased by paying that money in this entire process, money plays the role of a 'mediator' in the exchange of 2 commodities (as 'means of circulation').

Let us imagine a peasant family, which labours on its own land and raises crop or a family of artisans possessing its own means of labour. The members of these families themselves do some work or the other: either raising crops or weaving cloth. They consume a portion of their 'product', sell the rest and fetch other articles with that money. The essence of the matter is that they give their products in return for the products of others. If they sell their products such as corn or cloth, which they have produced, or if they purchase means of labour such as plough, seeds, cotton and a loom, it is only for the sake of individual needs, which enable those families to live. These sales take place not for 'trade' or for accumulating money in order to produce on a bigger scale or to carry on trade in a big way.

The symbol for the process of selling the commodity that is produced with one's own labour and purchasing another product immediately is:

Commodity — Money — Commodity

C — M — C

This is 'simple exchange' or 'simple circulation'.

This starts with 'commodity' and ends with 'commodity'.

It means that 'money' performed the role of a 'means of circulation' only in such an exchange. 'Money' came into existence exclusively to play that role and here it performed that role only. That is, money functioned simply as 'money'.

In C-M-C, the value does not increase in size beyond its original size. The size of money does not increase where money functions only 'as money'.

But, we have seen before the manner in which the process takes place at the capitalist. It is as M-C-M^1 instead of C-M-C. It means, the capitalist process begins with 'money' and ends with 'money' (with increased money).

Capitalist process:

Money — Commodity — Money

M — C — M^1

The last money will be more than the first money. (The meaning won't change even if M-C-M^1 is called M-C-M). However, whichever

stage in this 'process' is considered, it will not be an 'exchange of unequal values'.

When the capitalist initially exchanges his M for C, this stage of M-C will be an 'exchange' of equal values. This is a 'simple exchange'.

Later, that C will become a new C with more value in the course of 'capitalist process of production'. If that new C is sold, more money will be obtained according to its value. Which means, the stage of C-M will also be an 'exchange of equal values'. Even this is a 'simple exchange'.

Thus, money functions simply as 'money' (as 'medium of circulation').

However, here there is also another function carried on by means of 'money'.

When the process of M-C-M is seen as a whole, the first M increases as more money. This is the whole aim of the Capitalist Mode of Production.

If some money functions with a programme of earning more money, it means that the first money functioned as 'capital' also.

Which means, the money that functions in the process of M-C-M is functioning as 'capital' also while functioning as 'money'.

What is the difference between C-M-C and M-C-M?

C-M-C is the symbol of a mode of production, which is carried on with a 'use value' perspective or a 'need' perspective. In other words, it is a symbol of 'natural mode of production'.

M-C-M is a symbol of the production system, which is carried on with a 'value perspective'. In other words, it is a symbol of 'unnatural mode of production'. This is a symbol of capitalist mode of production.

When we describe the capitalist mode as 'unnatural mode of production', we do not mean to say that its earlier modes— the slave mode and the feudal mode—are 'natural modes of production'.

A 'natural economy' must have 2 attributes.

(1) There should be no exploitation; (2) Production should be 'need-oriented' only. In the hitherto existing society, this mode of production belonged to the 'ancient primitive tribes' only. Which means, it is related to that period where 'class exploitation' had not yet begun.

There was exploitation of labour in the 'slave society' and in 'feudal society' as well. When seen from this angle, this is not the 'natural mode of production'. But, here, the mode of production meant only for 'sale' had not yet begun. Here, the modes of production were still with 'need' motive. When seen from this angle, here the mode of production would be in such a condition, which can be called as 'natural mode of production'.

Call it either 'mode of production' or call it 'economy', both mean the same. 'Economics' is that which explains the aspects relating to the 'production' and its 'distribution'.

'Natural economy' began to change gradually into 'money economy'.

Which means, the mode of production that is carried on with 'need' motive began to change into the mode of production with 'sales' motive (money motive).

This again has to change into the 'natural economy' in the 'new society'. But in a more 'improved' manner than in the economy of the primitive society.

Here, we have to further clarify the meanings of the terms 'natural economy' and 'money economy'.

We should not assume that it is 'natural economy' when 2 things are exchanged by means of Barter system without the mediator called 'money' and that it is 'money economy' when the exchange is made by means of 'money'. (Some economists in the past had made such assumptions). It is a matter concerning the 'stage of circulation' whether 2 things are exchanged even without money or by means of money. There is no aspect related to the 'stage of production' in it. When we speak of 'economy', it has to involve both the stages of production and circulation. Whether there is money in the 'stage of circulation' or not is only a 'technical' question. It is not either by the presence or the absence of money that a mode of production acquires its given nature.

If the system of exchanges by means of 'money' were itself to be called 'money economy', we have to derive the meaning that the 'money economy' was present even during tribal times when money circulation and commodity circulation had begun in the lives of the primitive tribes. Which means, we have to say that primitive tribal economy and capitalist economy are alike (as 'money economy'). It is needless to say that this is a mistaken assumption. It is proper to understand things like 'natural

economy' and 'money economy' not on the basis of the system of exchange, but on the aim of the mode of production. **That mode of production alone is 'natural mode of production' ('natural economy') which is oriented towards natural needs and wants. The mode of production which is oriented towards increasing money is 'money oriented mode of production' ('money economy').** That is why the appellation of 'money economy' applies especially to capitalist economy, in spite of the fact that circulation of 'money' had been present also in the earlier societies.

When we see a commodity that is meant for sale, the nature of the 'mode of production' in which the commodity has been produced is not evident from that commodity. For the market, both the things are alike: whether the weaver who produced it brings himself a cloth to the market himself or by a capitalist who does not himself produce it. There, those two pieces of cloth will have the same value and both get sold at the same value. Similarly, while purchasing commodities from the market too, the difference—whether a labourer himself purchases them for his production needs or as capitalist purchases for 'producing his commodity'—is immaterial to the market. Be it a capitalist or a labourer, he has to pay the due value of the commodity that he purchased.

These purchases and sales—whoever do them on whatever scale—are 'simple exchanges' in the market. Whether the weaver himself sells 10 metres of cloth or the capitalist sells 100 metres, both are simple exchanges. They get money of as much value as that of the commodity they give. They take the same amount of value, which they give. All this constitutes 'circulation stage'. The whole difference lies in the 'production stage'.

There is a difference, however, between the mode of production of the producers labouring themselves and mode of production of non-labouring capitalists. The difference is as great as one of mutual opposition. But the fact that there is a difference between these two modes of production does not manifest itself in the market dealings. What takes place in the market is simply that a commodity is changed into money and money is changed into a commodity. If the person who gives the commodity takes money equal to the value of the commodity, the person who gives money takes the commodity equal to the value of money. In these sales and purchases, the exchanges of a non-labouring capitalist too take place according to the same principles, which govern the exchanges by a person who, labours. It is, therefore, not enough to look

at the 'stage of exchanges' alone in order to understand the difference between a 'natural' mode of production and an 'unnatural' mode of production. We have to see the processes of production and the subsequent processes of exchanges together.

While the 'natural mode of production' is seen in C-M-C, 'money economy' is seen in M-C-M.

While money functions as 'money' alone in C-M-C, money functions simultaneously as 'capital' and 'money' in M-C-M.

'Money' functioning as 'capital' means, functioning in such a manner that less money earns more money.

'Capital' exploits 'labour'.

In that process, money will be more favourable to the activity of the capital.

If exploitation takes place when only 'barter' system exists, the entire 'surplus value' will be in the form of production. But, if there exists 'circulation of money', the production exploited may be stored in the form of money.

Certain economists (e.g., Robert Owen. He was sympathetic towards labourers), who failed to grasp the difference between money functioning as 'money' and money functioning as 'capital', thought that 'money' is responsible for the division of 'society' into rich and poor and the problems would be solved if 'circulation of money' is abolished.

According to these economists, abolishing 'money circulation' does not mean abolishing exchanges. 'Exchanges' should be there. But, they should not take place through 'money'. Their intention was that some other system has to be adopted for 'exchanges'.

But, if another system is adopted whereby exchanges can take place either through the 'cards' or through 'certificates', then the cards or the certificates themselves become money.

When 'exchanges' exist in the society, any one 'thing' that exists in the society will inevitably become a 'general equivalent'. The same will become 'money'. When all the money notes and coins are cancelled and 'value' calculations are done in another manner, then money changes into another form. Therefore, it does not amount to abolition of money. Whatever be the form of 'value' calculations, it amounts to the existence

of money. The economists do not know any of these things. Which means, the economists do not know what is 'money' and what is the characteristic with which money functions! It means that they do not know that it is not possible to abolish 'money' while 'exchanges' are in existence. Not knowing 'money' is not knowing any important aspect concerning 'economics'.

The basis for the rich-poor differences and other inequalities in the 'society' is the 'exploitation of labour' but not the existence of money. (Which means, exchanges that take place through money are not the reason).

Money is a means that came into existence to facilitate easy exchanges. It does not have any magic power than that.

However, since the entire production in the 'capitalist society' passes through sales, 'money circulation' is widespread in this society when compared to the past societies.

The basis of all the problems in the capitalist society is not the fact that 'money' functions as 'money'; but 'money' functioning as 'capital'.

'Capital' exploits 'labour'.

When money is functioning as 'capital', it means that it (money) is functioning as a means exploiting 'labour'. Money plays more supportive role in exploiting 'labour'.

Thus, problems will crop up in larger proportions. From that, it appears as if problems are arising due to money only.

To the economists who have no proper understanding of 'money', it appeared that money circulation itself is the cause of all the problems in the society.

It might be a very sensitive thing to abhor money but it will not be of any use to do so without understanding what money is.

The economist, who abhors money, not only does not know what money is but he does not even know that 'exploitation' exists. That is why, he pins all his hopes on the 'abolition of money' as there is no possibility of criticising exploitation.

Money should by all means be abolished in society. We should not think that there are no problems due to money and that it is a rational and natural need for society. It becomes necessary only because

there are sales. It is no longer needed when there are no sales. As money is the 'form' of 'value', the existence of money gives scope for 'amassing' it and for exercising authority and power on that basis. There are many such evil consequences due to money. The 'new society' should necessarily abolish money in order not to provide any scope for such consequences in any stage.

However, it is not possible for society to abolish money without abolishing the need for the function which money is performing. It becomes possible to dispense with that function when products are consumed without sales and purchases. And this becomes possible when exploitation, exploitative conditions of labour and exploitative division of labour are eliminated. It is a great illusion to dispense with money without these changes.

Here, at the moment, we have to properly understand the function which money performs and the function which capital performs.

We should not treat the problems that arise due to money as problems that arise due to capital.

Let us suppose that there are 5 problems due to money functioning as money, and 10 problems due to money functioning as capital.

Only 5 problems will arise if money functions simply as money. When money functions both as money and capital, 5+10=15 problems will arise. They may even assume serious form.

Those who intend to dispense with money should commence their programme with the abolition of 'capital' (Capitalist Mode of Production). That programme will finally end with the abolition of 'money' as well.

It is possible to do away with 'capital' while money exists; but it is not possible to eliminate 'money' while 'capital' exists.

Money continues to exist for some more time even during the process of extinction of Capitalist Mode of Production. Then money will be functioning simply as money. After some time, even this need for money will also cease to exist.

We may see briefly the movement of 'history' concerning 'production' and 'money' as follows.

(1) In 'primitive society': (a) Exploitation does not exist. (b) Need-oriented production only. (c) Circulation of commodities and circulation of money exist. But they exist at a very low level.

(2) In 'slave society': (a) Exploitation exists. (b) Need-oriented production only. (c) Circulation of commodities and circulation of money exist. They exist at a somewhat higher level.

(3) In 'feudal society': (a) Exploitation exists. (b) Value-oriented production only. (c) Circulation of commodities and circulation of money exist. They exist at a somewhat higher level.

(4) In 'capitalist society': (a) Exploitation exist. (b) Value-oriented production only. (c) Commodity circulation and money circulation exist at a higher level. The entire 'production' converts into commodities and circulates by means of exchanges.

(5) In the 'new society': (a) Exploitation does not exist. (b) Need -oriented production only. (c) Circulation of 'commodities' and circulation of 'money' do not exist. However, all these changes do not occur immediately after the beginning of the 'new' society. This is the goal that the society has to achieve gradually.

Now the contrasts between 'natural mode of production' and 'capitalist mode of production' may be seen in terms of certain characteristics thus:

If money functions only as 'money'? Its symbol is C-M-C	**If money functions both as 'money' and as 'capital'? Its symbol is M-C-M**
1) The producers, who make these exchanges, produce with their own labour and they make exchanges only for the needs of 'self-sustenance'. That is why this 'mode of production' is completely oriented towards natural needs. They look at the commodity that they sell and the commodity that they buy from the perspective of 'use value'. In this mode of production, the beginning as well as the end of either the 'stage of production' or the 'stage of circulation' is only 'use value'.	1) The individuals, who make these exchanges, do not perform labour themselves. The aim of these exchanges is not 'self-sustenance'. The aim of these exchanges is only to enhance the invested value. That is why this mode of production is always 'value oriented'. Here, commodities are produced with superficial attractions and without really useful features. Fraudulent practices prevail both at the time of production and the place of sales. Profit motive prevails with

	regard to the commodity production as well as exchanges. Examine any aspect, its beginning as well as goal is wholly oriented towards money.
2) As this mode of production is meant for satisfying 'natural needs', there is no place for the production of such things which cannot satisfy needs.	2) As its aim is only to increase 'value', there is no concern with things such as 'naturalness' and 'need'. It depends on the artificiality of what fetches more profit. However much a commodity is wicked or debased (whether it is a knife, a gun or an alcoholic beverage, poison or a bomb) or ghastly or foul smelling, the capital embraces it if an increase in the originally invested money is assured. But the embrace with that commodity will not be tight and lasting. If this commodity lags behind and another commodity comes to the forefront in increasing money, the capital suddenly abandons the old one and runs after the new one.
3) Money plays the role of a 'mediator' in these exchanges. Hence it won't increase.	3) In these exchanges, money, while playing the role of a mediator, also plays the role of capital. Hence, it increases.
4) In this exchange, there is no difference in 'value' between the commodity that is sold and the commodity that is received in return. There is difference in use value.	4) That which is spent is money and that which is received back is also money. Its size must be different. Therefore, it increases. Here, there is no reference to the use value.
5) It is quite meaningful that one use value goes away and in return another use value comes. These exchanges that satisfy needs will benefit both the sides.	5) It is quite meaningless that money goes away and in its place again money comes. In this process of increasing money, the labourer who sells his 'commodity' always loses while the capitalist always gains.
6) There are natural limits to the needs. Hence, natural needs are the limits of these exchanges.	6) As there is no natural limit to the need of money, there is no natural limit for these exchanges to stop at a point.

'money' as 'money'	**'money' as 'money' and as 'capital'**
7) When one use value is sold and another is purchased by means of that value, that exchange is finished there forever. Those use values are spent on the both sides. A new exchange takes place only when a new use value is produced. The old exchange does not lead to a new exchange.	7) When more money is exchanged with less money, that exchange does not end there. If 100 are increased to 120, 20 per cent profit. Thus, 120 can be increased to 144. 144 can be increased to 173. It can thus be increased to any extent. There is no natural ending to it. There is no halt for the mad run of capital, which has no limits of natural needs, to increase itself. Old exchange goes on leading to new exchange.
8) The 'nature' of these exchanges does not alter even if there are variations in the proportions of commodities in these exchanges when one use value is sold and another purchased. The essence of 'giving one use value' in return for another use value is not upset thereby. Such variations apply to both the parties in exchanges.	8) In this exchange, the nature of this system does not alter even if the capitalist suffers a loss on one occasion. Just because value did not increase once, this system will not give up its orientation to increase money and adopt the use value perspective.
9) This is the mode of production of producers who themselves labour.	9) This is the mode of production of exploiters who do not labour. This is specifically capitalist mode of production.

These are the main differences between a 'natural mode of production' and a 'money-oriented mode of production'.

We cannot fully understand the fact that the capitalist mode of production is a 'money-oriented mode of production' unless we proceed further.

If some money is thrown in a corner, not a molecule of it will grow until the 'doomsday'. But when it is invested to function as 'capital', it attains 'miraculous power' to increase itself. If a blade of grass is invested as 'capital', it spreads like a creeper until it becomes a veritable forest.

The increase of money as more money appears to the capitalist as natural a course as calves being born to a cow and fruits growing on trees.

As the capitalist knows that money does not grow if it is thrown in a corner, he starts a drama called 'industry' in which 'capital' plays the main role. It plays double role: on the one hand the role of 'means of labour' and on the other hand the role of 'wages'. It plays the role of means of labour, which is still as a photo frame hung on the wall. It has to act as a 'worker' in the role of 'wages', isn't it? It employs the 'dupe' (workers) for that role. It is the dupe who performs the entire function relating to that role. But outwardly, it appears as though the entire work is done by capital. The capitalist will be astonished at its feats thus: "Look! What great adventurous acts the capital is performing! It is cultivating all the lands! It is penetrating into the mines! It is pounding hills into powder! And capital stands putting on a proud look before him as if it did all those things!

The director who makes the 'capital' play these roles and performs these feats is the capitalist himself. In fact he is not at all interested in this show. It is not devotion to or interest in art that prompts him to stage this play. But what can he do? There is no other way for him to 'increase' money. If, without all this botheration, he gives Rs. 100 to others and asks them thus: "Take this 100 and give me Rs.120 immediately!" Will they give? Or, will they drive him out saying, "Get out, you lunatic!" Our fellow is not a 'lunatic'. That is why, he, like a knack person, chooses a commodity and begins the drama of 'industry' in order to get it produced under his own direction.

Questions :

1. What does 'labour process' mean?
2. Is there any substance that we can use without labour?
3. Does breathing involve 'labour'? Is 'air' a material made of labour?
4. Plucking fruits from a wild tree amounts to separating a gift of nature from the hold of the earth? Explain.

5. A man got into a river and drank water. Another man got into a pond and drank water. In these two examples, is there any difference in the value of that water and the labour that those men did?
6. What is the raw material in growing a mango grove?
7. An animal gets its food by hunting. Man also gets his food by hunting with arrows. Is there any difference in the matter of 'labour' in these two examples?
8. What are the earliest instruments of labour which human beings devised?
9. Mention a few tools of labour made of stone.
10. Washing his clothes in a river, a person used a stone-slab to strike his clothes against it. Is the stone-slab an instrument of labour? Will its labour get added to the work?
11. What is the 'internal' factor required by labour-process? What is its 'external' factor?
12. We may think of making of a chair from the perspective of 'use value' as well as 'value'. Write down these two examples.
13. What does 'capitalist mode of production' mean? What are its principal characteristics?
14. Is there any difference between 'exchange of commodity' and 'production of commodity'? What is it?
15. What is meant by labour power transforming into as commodity?
16. Mention some synonyms of the term 'capitalist mode of production'.
17. Does 'discipline' simply mean strict observance of time?
18. Are thrift and miserliness identical? Is there any difference? Is there any difference between this thrift and capitalist thrift?
19. Are you a labourer or capitalist? If you are a labourer, write briefly about the things that can be used with thrift in your work place. If you are a capitalist, state where exactly the workers are not observing thrift?
20. What is the alienation that is present between labourers and the conditions of labour? In what things is it present?

21. The duty of a teacher is teaching. Should teachers have a role in deciding what kind of lessons they should teach to his students?
22. What is the principal difference between C-M-C and M-C-M?
23. Can C-M-C be called as C-M-C^{1}?
24. What are the matters that 'economy' is related to?
25. You purchased a commodity in the market. Can you tell in which mode of production was it produced?
26. What is the name of the play that a capitalist conducts? Who are the dramatise personae in it?
27. Tell through 4 different commodities that capitalist system produces only for the sake of 'sales'.
28. Is it out of 'love for art' that a film producer makes a film?
29. Special for artists!

    Draw a picture describing labour process. Choose some work either weaving, carpentry or printing. All the workers are engaged in some work or the other. A capitalist is seated in the chair. The drawing, as soon as it is seen, should suggest that a labour process is under progress and that only one is not doing any work while all others are working.

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Chapter 4

Constant Capital and Variable Capital; Fixed Capital and Circulating Capital

We will be examining in this chapter various angles and various aspects relating to 'capital' under the names: constant capital, variable capital, fixed capital, commodity capital, advanced capital, social capital.

We have seen earlier that 'capital' is of 2 portions: (1) The portion invested in 'means of production' (we will henceforth use the term 'means of production' in place of 'means of labour'), and (2) the portion invested in 'wages'.

The value invested in these two portions will come back to the capitalist. While coming back, whatever has been invested in 'means of production' returns to the capitalist. It remains constant without either increasing or decreasing. Hence it is 'constant' capital. However, the portion invested in 'wages' will 'increase' by the time it returns. It will have certainly changed and will not be what it was at the beginning. Hence, it is 'variable' capital.

We will first see these two things in detail.

1) Constant capital

The totality of the raw material, means of labour and auxiliary material constitutes the 'means of production.'

The means of production do not either increase or decrease their value and hence the capital invested on them is constant capital.

The value of either the raw material or the value of an instrument of labour or the value of an auxiliary material in the 'means of production' does not remain always the same without any variation. The value of cotton will not be the same for two subsequent years. We saw in the chapter on 'profit' that a commodity does not always have the same value.

What will be the consequences for the capitalist if any changes occur in the value of the means of production?

Let us suppose that 'means of production with 80 value' will be consumed to produce 100 metres of cloth. The capitalist gets some money if he sells the cloth. He takes 80 from it and again buys the means of production that have been consumed because that fellow has to get the new cloth produced again. He does not close his 'industry' as soon as he gets cloth produced once. He has to get a new cloth produced and sell it again. In order to get it produced again, he needs some new means of production again. He has to purchase new means of production out of the money belonging to the old means. Other capitalists are producing these new means of production. Just as 'cloth' is produced at the work place of this fellow, the means of production, which this fellow needs, are being produced at the work place of other capitalists.

What will be the consequence if the value of a 'means of production' is increased or decreased relative to what it was earlier? Let us take 'yarn' as an example. This example will do for the rest of the means of production too.

Let us suppose that once a yarn of 30 value has been spent on 100 metres of cloth. Let us also suppose that by the time of selling the cloth, new cotton crop was spoilt and the value of the yarn in the market rose to some extent. Let us suppose that the value of yarn, which was 30 earlier, and has now become 40. Our cloth capitalist calculates the value of the yarn in his cloth too as 40. Then the value of the cloth increases by 10. Does 40 mean that the capitalist has got 10 profit? No. He will have to purchase new yarn again with that 40. He cannot pocket anything out of it. He would buy new yarn with that 40. It only means that here the new yarn came in the place of yarn that had been used. Even though the value of yarn has risen, it does not mean that the yarn gave more value than its own value.

Similarly, the same is the situation even if the value of yarn falls. If the value of the yarn that was bought for 30 becomes 20 at the time of selling the cloth, the capitalist gets only 20 as the value of yarn. But, the capitalist will not incur any loss on that score because 20 will now do to purchase new yarn. He would get new yarn with the money of the old yarn. He would get yarn for yarn. Even though the value of yarn has fallen, it does not mean that it gave less value than its own value.

If the value of the yarn remains constant at the time of selling the cloth but increases by 10 at the time of buying new yarn, the capitalist has to invest 10 more as capital. When he sells that new cloth, he would get back everything that he invested.

However and whenever the value of any factor among the means of production changes, its result is the same. **A means of production gives only as much value as it has. More value if it has more value, less value if it has less value.**

When we say that 'constant capital gives back only its original value,' it does not ever mean that its value does not either rise or fall. If it rises, the risen value itself is its value. If fallen, the fallen value itself is its value.

Means of production themselves constitute constant capital. When we speak of means of production, all the things such as building, yarn, a loom, etc., appear separately. However, these distinctions do not appear when we speak of 'constant capital.' What appears is only the amount of money set apart for this portion of capital. While the word 'means of production' suggests some use values, only 'certain value' (money) alone is suggested by the word 'constant capital.'

The letter 'c' stands for 'capital.' It should be read as 'big C'. Only capital 'C' should be used as its symbol.

As the word constant capital begins with 'c,' the symbol for it is also 'c.' But we have to write small 'c.' This should be read as 'small c'.

When we say that the capitalist invested '80c,' it means he invested '80 constant capital.'

The symbol for means of production is 'mp.'

Whether we say that a capitalist invested 80 as means of production or invested 80 as constant capital, both expressions mean the same.

2) Variable capital

Another portion of 'capital' is the portion invested in 'wages.' This position both reproduces the equivalent of its own value, and also produces an excess value as well. As this does not remain constant, it is 'variable' capital.

Call it 'variable capital' or call it 'wages.' Both expressions mean the same. Workers convert wages into 'means of subsistence' and they use those things for their subsistence.

Call it 'wages' or 'variable capital,' it manifests itself in the form of 'money.' When we speak of 'means of subsistence,' it appears as 'use value.' However, it is not those means of subsistence that enter as a factor into the production process. Only human beings enter.

While one factor in the 'process of production' is the 'means of production,' the second factor is—labourers.

No further factor other than these two is necessary.

The symbol for 'variable capital' is — **v.**

The symbol for 'labour power' is — **lp.**

If a capitalist invests 80 as constant capital and 20 as variable capital, we state it as follows:

Capital invested 100 = 80 constant + 20 variable.

100C = 80c + 20v.

Investing 80 in constant capital and 20 in variable out of 100 capital means that 4 parts of capital have been invested in constant capital and 1 part in variable capital. These portions are not according to the likes and the dislikes of a capitalist. They are dependent on the productive power relating to the commodity to be produced. That is, wholly according to the technical condition. (We will see this point in some detail in the chapter 'Manufacture' and in the chapter 'General rate of profit' of volume 2.)

Whatever be the ratio of constant and variable portions of the capital, the nature of constant and variable capital does not change. Their nature remains as it is whether out of 100 capital, constant capital is 90 and variable capital is 10 or if constant capital is 10 and variable capital is 90. Which means, constant capital does not reproduce more value than its own and that variable capital does not cease reproducing more value than its own.

Is there any contradiction in the words, "20 variable capital?" On the one hand, we are describing it as a capital that is 'variable' and on the other hand, we are giving it a definite and a fixed amount as '20'. Is it not a contradiction? No. Because the complete meaning of the expression '20 variable capital' does not simply include the fact that what has been invested on 'wages' is 20. It also includes the fact that the value produced by 20 variable capital is not simply 20 but more than that. As wages are of a fixed amount, that part also shows a definite number. However, the value obtained through that part would not be only so much as has been invested. Therefore, there is nothing wrong in calling it 'variable capital.'

What does it mean if we say that 100 capital—80 constant + 20 variable — is functioning in the production of a commodity? It means that means of production of 80 value are being consumed in the 'work place' and 'means of subsistence' of 20 value are being consumed at the homes of the labourers. It means that the true meaning of 'capital' is: some means of production and some means of subsistence! If we say that a capitalist has 100 capital with him, it means that he has some means of production and some means of subsistence with him.

'Capital' means (1) means of production, (2) necessaries of life of the workers. However, what we find in a 'production process' is (1) means of production, (2) workers.

This question of 'constant vs. variable' capital is the most important of all the things that we should know in order to understand 'exploitation

of labour.' The things that we are going to see will be properly understood only if we understand the roles of these 'constant-variable' capitals.

3) Fixed capital

We have divided the 'originally invested capital' into two portions: the 'constant' portion and the 'variable' portion. Now we have to consider the 'constant' portion and examine its components individually.

The components of 'constant' capital are nothing but 'means of production.' Raw materials, instruments of labour and auxiliary materials constitute 'means of production.'

The means of production are consumed in two ways. Things like yarn, oil and coal get fully consumed all at once, while things like looms, machines and buildings stand for many years while being consumed daily piecemeal.

All those means of production that do not get consumed fully but get consumed in a piecemeal manner and stand in the work place for quite some time are 'fixed means.' The capital invested in 'fixed means' is the 'fixed capital.'

The total means of production in the work place should be taken as of 2 parts: fixed means and non-fixed means. Raw materials and auxiliary materials constitute the non-fixed means while the rest are the fixed means. **The fixed and non-fixed distinction between the various means of production is made according to the way in which they are consumed while work is in progress. The non-fixed means include both the raw materials and auxiliary materials. Yet, to make the example simple, we may refer to them simply as 'raw material.'**

As there is a difference in the ways in which the fixed and non-fixed means are consumed, there is also a difference in the ways in which their values get added to the commodity. The value invested on non-fixed means gets added up fully to the commodity at a time and it is recovered fully when the commodity is sold. However, as regards the value of the 'fixed' means, it gets added to the commodity in a piecemeal manner and it is recovered only when the commodity is sold.

Let us consider a fixed means called 'loom'. A loom, as a whole, will not be consumed for 100 metres of cloth alone. Yet the loom, as a whole, should be present in the 'process of production'. The entire loom

should be present to produce either one-lakh metres of cloth or one metre of cloth.

When a capitalist purchases a fixed means, he would have to pay its entire value. However, as regards to the recovery of that value, he will have to receive it over a period of some years.

Let us suppose that the value of a loom is 500. Its life span is 5 years. It adds 500 value through it to the cloth, which is woven from the time when it begins working to the time when it ceases working. (That is, in a period of 5 years). By the end of the first year, 100 out of the value of the loom will have been consumed and still 400 value will remain. It means, the value of the spent part in the fixed means by that time is 100. The value still remaining is 400. 'Wearing out' does not mean that a fixed means wears out and becomes smaller and smaller like a cake of soap. It gets older as it works. This state of getting older by use is called 'depreciation'.

By the end of the second year, the value that still remains in the loom is 300. Depreciation will be 200. By the end of 5 years, the loom will have become fully old and therefore useless. It won't work any more. Then, a new loom becomes necessary. By then the capitalist will have recovered the total value of the older loom. Hence, he will be in a position to purchase a new loom. The new loom will always be produced at the loom-capitalist's work place. Therefore, this fellow will get a new loom whenever he needs it.

Let us suppose that the value of a new loom is not 500 by the time it is purchased. Suppose it has become 600. The capitalist will have to invest another new capital of 100. But this time, the capitalist calculates the value of the loom according to this new value.

Loom works for 5 years; isn't it? If, in the course of these 5 years, the value of looms in the market shows a rise or a fall, the cloth-capitalist too changes his accounts accordingly. He recovers the money he had spent on it by the close of 5 years. In case, there occur some changes in the methods of production during the period of the production of this new loom and if the looms are produced in such a way as they serve for longer, it takes a still longer time to recover its value.

A means of production becomes a 'fixed' means because of the way it is consumed. **That means of production is a fixed means, which does not give away its full value to the commodity all at once, but**

gives it in a piecemeal manner. The capital invested on it is 'fixed capital'. If a loom is purchased with 500, that 500 is fixed capital. The building, which serves as work place, instruments of labour, vessels and the like come under this category. Their physical shapes will not be changed even after they become utterly old and useless. This alone is the sign of fixed capital.

4) Circulating capital

Barring the fixed means, all the means of production are consumed fully as and when they are used. Raw materials and auxiliary materials belong to this category. The yarn that is necessary for some cloth can be isolated and used separately only in such quantity as much as is required. If the value of yarn is supposed to be 30, that 30 value gets added at a time to the cloth, which is produced with that yarn. A part of that 30 will not be left behind without getting added to the commodity. The value, which thus gets added to the cloth, goes into circulation. That is into the 'sales' and later into the 'consumption'.

The capital that goes into circulation by means of the finished commodity is 'circulating capital'.

What is the total value that goes into circulation by means of the finished commodity? Through what elements does it add itself to the commodity? (1) A certain amount from raw materials, (2) A certain amount from auxiliary materials, (3) A certain amount from the fixed means, (4) A certain amount from 'wages', (5) A certain amount from 'surplus value'. Thus, the values of 5 different factors, put together, constitute the 'total value' of the new commodity.

Then, of these 5 values, what are the values originally advanced by the capitalist? The capitalist has advanced the first 4. The same has been the capital that came into circulation and hence, it is 'circulating capital'.

'Surplus value' also comes into 'circulation'. But it is not the capital that has been advanced by the capitalist. Therefore, the values that exist in the first 4 factors alone constitute 'circulating capital'.

A certain amount of value in the capital advanced by the capitalist has still remained in the 'fixed means'. As the fixed means in the work place have not yet become old, some more value is still present in them. It too gets consumed every day in some quantity and keeps going into circulation. But when we consider only 'some quantity of commodity' and see what its value is, we take only those factors that have been spent

on that commodity; we do not take into account the entire value present in the work place.

The value of the entire means of production in a work place does not enter into the commodity. The value of raw materials, the value of auxiliary materials, the value of the depreciated part of the fixed means, put together, becomes the value of the 'means of production'. If 'wages' are also added to it, it becomes 'circulating capital' and if 'surplus value' is also added to the circulating capital, it becomes the 'total value' of the commodity.

'Circulating capital' may also be called 'cost price'. If 'surplus value' is added to the 'cost price', it becomes the 'total value' of the commodity.

We have to understand properly the difference between : dividing 'capital' into 'constant capital' and 'variable capital' on the one hand and dividing it into 'fixed capital' and 'circulating capital' on the other . These two divisions indicate different things.

In the 'constant-variable' division, the portion of 'wages' singly constitutes one portion and all the remaining portions constitute another portion. This is the division, which tells us that the 'constant capital' does not give more value than its own value and the 'variable capital' gives more value than its own value. Only by looking at the 'capital' in this manner will the source of the 'surplus value' be known.

But, in the 'fixed and circulating' division, all the factors that contribute their values fully to the commodity constitute one part, while the other factors that constitute their values in a piecemeal manner constitute another part. Here wages become identical with raw materials and auxiliary materials. It means, wages will be lost sight of in this division. This division is specifically useful to calculate in terms of whether value invested on a particular factor in the capital comes back at a time or in a piecemeal manner. This division, however, is not useful to understand as to how more value than the 'capital' has been obtained.

That is why we have to understand properly the difference between dividing the 'capital' into 'constant-variable' portions and dividing it into 'fixed-circulating' portions.

5) Money capital

We have seen that a capitalist who intends to get a commodity produced begins his activity with some 'money'. That is, capital, at first,

will be in the stage of 'money capital'. The symbol for this 'money capital' is : M.

When capital is seen in the form of money, the differences such as what sort of raw materials are there, what sort of instruments of labour are there and what sort of labour the labourers perform won't appear. Money alone appears in the place of all those factors.

If there are '100 currency notes' in the hands of a capitalist who intends to get the cloth produced, neither yarn nor loom nor weavers appear in those notes. Capital has not yet passed into its true form from the form of 'value'. That is why, it is not possible to understand the truth or falsity about capital by seeing 'money-capital' (that is, money that is going to function as capital).

6) Productive capital

In this stage, capital changes into the actual factors that are necessary for the 'production process'. That is, into 'means of production' and workers possessing 'labour power'. It is with the help of these factors that the production process goes on.

To say that the cloth-capitalist has with him 100 money as 'capital' means other capitalists have with them means of production of 80 value and the means of subsistence of 20 value which are used by the labourers. These means of production and means of subsistence had been produced and ready. Otherwise, the production process in the work place of the capitalist will not commence. That is, 'capital' is the means of production and means of subsistence of the workers, not currency notes alone. No production takes place if there are currency notes only.

There is a speciality for this 'productive' stage. All the secrets of 'capital' are laid bare only when this stage is examined. Examining this stage is nothing but examining the process of production. Raw materials, auxiliary materials, fixed means and labourers— all of them appear here. Those who perform labour and those who merely 'boss over' without performing any labour are also seen here. All these factors exist with their true nature only in this 'production process'. It is only here that we are able to know what character a given factor possesses while functioning in the process of 'new production'. It becomes possible only in this stage to know the constant-variable distinction and fixed-circulating distinction. Examining the factors of production is nothing but penetrating into the mystery of what is called 'capital' and examining its 'internal features'.

'Productive' capital = (1) Means of production +
(2) Labourers' means of subsistence

Factors of 'production' = (1) Means of production +
(2) Labour-power (Labourers)

What is the difference between these two examples? Means of subsistence, which are a part of 'capital', won't come into the 'production process'. Labour-power (labourers) which enters into the 'production process', is not part of 'capital'. Having grasped this difference, both of them might be referred alike in order to make our example easy.

'P' is the symbol for 'productive capital'. Whenever 'p' is referred to, we should understand it as 'productive capital', 'productive process' or 'factors of production' depending upon the context.

7) Commodity capital

It is the new commodity that is produced in, and emerges out of, the 'process of production' that constitutes 'commodity capital'. That is, in the example of cloth, 100 metres of cloth itself is 'commodity capital'.

Circulating capital + Surplus value = Value of 'commodity capital'.

'C^1' is the symbol for 'commodity capital'. This should be read as 'c-one'. It ('C^1) should be taken to mean 'commodity that is already for sale'.

Just as it is not possible to undertake the examination of 'capital' when it is in the stage of 'money', it is also not possible in the stage of 'commodity capital'. Even though capital, in this stage, is in the form of a 'product' and not in the form of 'money', we cannot understand the secret of 'capital' simply by seeing the product. Because, here all the elements of the 'capital' are in one form only, that is in the form of a commodity: whatever has been produced. Here, we cannot see such things as: what is the character with which a given factor functions? What is the manner in which a given factor contributes value' and so on. Also, we cannot see here such distinctions as constant vs. variable; fixed vs. circulating. Most important of all is that labourers themselves are not seen here.

It is not possible to conduct an examination of capital both when it is 'M' and when it is 'C^1'. It is possible only when capital is in the form of 'p'. There is scope for understanding its inner things only when it is

converted into productive capital and is functioning in the 'production process'.

The entire 'circuit of the capital' until the advanced capital is converted into 'increased money' will be as follows:

Initial Money		Capital		Production Process		New Commodity		Increased Money
M	.....	C	.....	P	.....	C^1	.....	M^1
100	.....	100 (80+20)	.....	P	.....	120	.....	120

8) Advanced capital

We usually say that a capitalist initially invented 'some capital' for the production of a commodity. What does 'advanced capital' mean? Is it the 'circulating capital' that is spent for the commodity? Or is it the 'total capital', which consists of all the undepreciated fixed means present in the work place? Which is the 'advanced capital'?

When we speak of 'advanced capital', we have to consider the 'circulating capital' that has been spent for producing a commodity as the advanced capital. The commodity has nothing to do with the value of undepreciated fixed means that remains in the work place.

However, if there is only so much constant capital in the work place as there is in the commodity, the 'process of production' cannot proceed with that constant capital.

If we suppose that 5 value adds from the loom to the '100 metres of cloth', it is not possible that only a piece of the loom containing '5 value' exists in the work place. The entire loom has to be in the work place. If the value of the loom is supposed to be 100, the loom purchased for 100 is to be in the work place. Similarly , all the other fixed means should also be fully present in the work place.

If we suppose that 80 constant capital is to be spent for 100 metres of cloth, it is not enough if only '80 constant capital' is present in the work place, in order to produce that cloth. More capital than that is required. But, while seeing how much capital has been spent for 100 metres of cloth, all that is present in the 'work place' won't come into account. The capital that remains without being spent for the 'commodity' is irrelevant in this context (It will be spent later gradually).

Therefore, when we speak of 'advanced capital' in relation to a commodity, it is that capital which is spent for the commodity. That is, 'circulating capital' itself is the advanced capital. But, not the entire capital that is present in the 'work place'. That is also invested by the capitalist. That will also come back to the capitalist.

While the circulating capital comes back, it invariably takes along with it everything that it extracts, viz., the interest, rent, profit and commission.

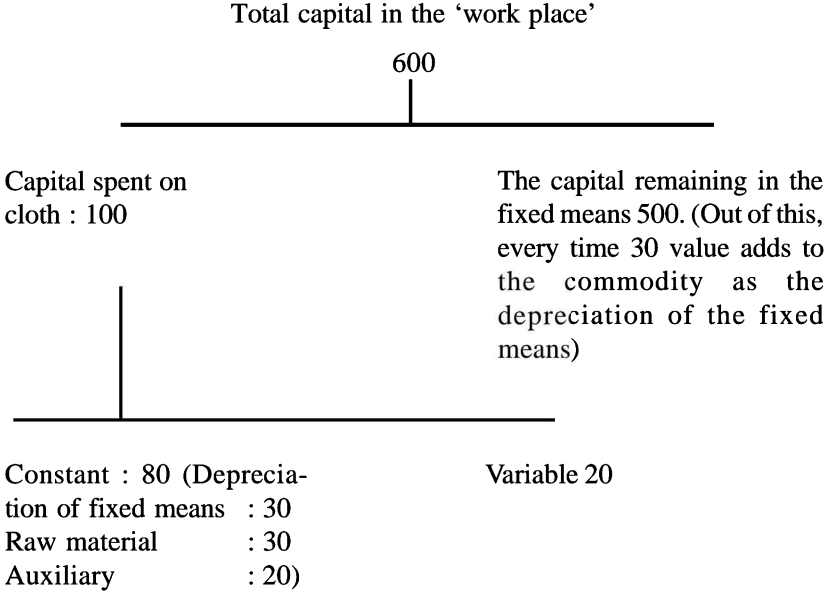
Let us suppose that 80 constant and 20 variable are spent for 100 metres of cloth.

Let us also suppose that out of '80 constant', raw material is 30, value that comes from the fixed means is 30 and auxiliary is 20.

Though the value that comes from the fixed means is 30, let us suppose that their total value is 500. (This is the value when those fixed means are purchased a new).

That is, in the cloth example, the total value present in the 'work place' (including the building that serves as the work place) is 600.

We may see the example like this:


Total capital in the 'work place'
600
Capital spent on cloth : 100
The capital remaining in the fixed means 500. (Out of this, every time 30 value adds to the commodity as the depreciation of the fixed means)
Constant : 80 (Depreciation of fixed means : 30
Raw material : 30
Auxiliary : 20)
Variable 20

The capital spent on the cloth = 80 constant + 20 variable = 100.

This is 'circulating capital' or, 'cost price'.

Let us suppose 'surplus value' is 20.

Symbol of 'surplus value' is—**s.**

Value of the cloth = 80 constant + 20 variable + 20 surplus = 120.

C^1 = 80c + 20v + 20s = 120.

Or, C^1=Circulating capital 100+Surplus value 20 = 120.

This C^1, filled with 120 value, goes to the market for sale. 'Sale' takes place. 120 money as M^1 comes into the capitalist's hand. Out of it, 100 circulating capital comes back. The remaining '20 surplus value' will be distributed into some portions.

Now we have to see some more issues relating to 'fixed capital'.

9) Some more issues concerning 'fixed capital'

Fixed means of production present in the work place is of many kinds. Important of them are buildings, instruments of labour, vessels etc. Each of them has its own 'life time' which may be called its 'turnover period'. If a machine can work for 10 years, its 'turnover period' is 10 years. By the end of that time, it becomes useless. It may endure for some more time if it is handled very carefully from the very beginning or it may become useless within the due period. These are special cases. When seen in general, leaving aside the special cases, the lifetime of that machine is 10 years only. Thus, there is certain limit to the durability of every object. Its lifetime is determined by the properties of the raw materials employed to produce it and the method of its production. It is always possible to estimate its lifetime based on the experience of handling such objects.

If the turnover period of the building that serves as the 'work place' is 50 years and the turnover period of the loom is 10 years, the loom will be replaced 5 times by the time the building is replaced only once. Each of the fixed means will change according to its own turnover period. By the time that a means gets into work afresh, other means will have become old and will have existed in different conditions. Whichever gets old will be replaced. But, all the fixed means will not be replaced as a 'set'. On the whole they will always be ready in the 'work place'.

The value of the loom is 500. Its lifetime is 5 years. 'Annual production' is 'so many' metres. How much value does it contribute to the commodity every year? How much value goes to each metre of cloth on account of the loom? It is quite easy to calculate like this. But, the capitalist does not occupy himself every day with these accounts. Every industry, depending upon its particularity, will have some amount of 'fixed capital'. There will be a 'general estimate' in the industry with regard to its wear and tear. It is by this estimate that the capitalist prepares his accounts.

The expense on account of the building's wear and tear is put down as 'rent'. The expense of the wear and tear of other fixed means is written down as 'depreciation'.

(1) Expenses relating to different 'fixed means' :

Let us suppose that there are 4 kinds of fixed means in a work place. If we know their life time and value, we can easily know how much value they add in a year. Let us see an example.

Expenditure of 'fixed means'

	Fixed means in the 'work	Their life-time	Their value	The value spent in one year
1.	Building	60 years	1200	1200/60=20
2.	Instruments of labour	10 years	300	300/10=30
3.	Containers/ Vessels	5 years	50	50/5=10
4.	Chairs, tables and the like	8 years	160	160/8=20
	Expenditure for one year on the total fixed means=80.			

Fixed means having 80 value are consumed each year in this 'work place'. We can arrive at the same figure, even if we calculate the expenditure of each fixed means separately and combine all those figures. It thus becomes possible to determine the expenses of depreciation of the fixed means.

Though these expenses of 'depreciation', in general, may be similar in the case of all capitalists in a given 'industry', each one of them will however have his own specific conditions. Hence, there may be differences in their expenses. Though there is a general estimate on the durability of an instrument, all such instruments do not function for the same period exactly. That estimate is merely an 'average estimate'. When there are 10 looms with 10 capitalists, a greater number of them will be in accordance with the same estimate with very minor variations. But, some of them might be either this way or that way.

(2) Durability of fixed means :

Let us suppose that the value of an instrument is 8. Its turnover period is 5 years according to the general estimate. But, suppose that an instrument belongs to a capitalist worked for 10 years without becoming totally useless by the end of 5 years. Does it mean that it gave in 10 years 8 value or 16 value?

That instrument becoming unusable within 5 years represents the general situation. It happens exactly like that with every instrument. Which means, the general situation is representing by the fact that a given instrument yields a value of 8 in a period of 5 years. However, if that instrument lasts for 10 years at the work place of a capitalist it represents a 'specific situation'. That specific situation fetches the capitalist some 'profits'. This is how it happens: The capitalist who possesses that instrument will get back the value of 8 in the first 5 years through that instrument. But, that instrument will not have become unusable even by then. Therefore, it will not be necessary for that fellow to buy a new instrument with that 8 which he got back. The same old instrument will function for 5 more years. 8 more value will be obtained through it. Which means, a value of 16 instead of 8 will be obtained due to that instrument in a period of 10 years. Then a new instrument will have to be purchased. If a new instrument is purchased with 8, it implies that the capitalist has got another 8 free. In fact, its value alone will come back if that instrument functions for a period of 5 years only. If a new instrument is purchased with that value, it simply means getting a new instrument through the old instrument. But, since an instrument of a capitalist has lasted longer than the general situation, he incurs less expenditure and he would get it as a specific profit. Any value, which is obtained without initially spending, is part of 'surplus value' only.

In fact, an instrument will not yield more value even when it lasts longer. Even when such a thing happens, that additional value is not due to that instrument.

The question whether an instrument lasted longer or shorter is concerned with its 'use value' and not with its 'value'. If an instrument functioned for a longer period than the 'average estimate', it only means that it gave greater 'use value'. But, it does not mean that it gave greater 'value'. Its value spreads over the entire production that has been turned out in the whole period during which that instrument has been used. It means that the 'labour' expended in producing that instrument was useful for the period during which that instrument functioned.

Whether an instrument with 8 value works for 5 years or for 10 years, its value is only 8. Even if it worked for 10 years instead of 5, it does not mean that the capitalist spent on it 16 instead of 8. Nor does it mean that 16 value was necessary for producing it, instead of 8. It exists as an instrument with more value only if more value had gone into its making. More value will come back only if it possesses more value. There is no definite limit to the 'use value', which an article gives, but there will be a definite limit to the 'value' which it gives. Which means, an instrument that has to work for 5 years gives only its own value but not twice of it even if it worked for 10 years.

However, since an 'instrument of labour' exists as the 'private property' of the capitalist, its 'good' or 'bad' belongs to that capitalist only. The profit, if the durability of the instrument is more than the average, or the loss, if its durability is less than the average, whichever be the case, it goes to that capitalist only.

Thus, the profit and loss that result due to variations in the durability of instruments will be private affairs of the capitalist since 'means of labour' exist as his private property.

But, such gains and losses that result due to variations in the durability of the means of production belong to every one equally in society, when they belong to it as a whole collectively without special rights such as 'this building is mine' and 'this instrument is mine'. If the means of production endure longer than the estimated period, the production of those means of production may be lessened a little. When the labour of producing them is reduced, the labour of all might not be required. Or, if the means of production gets impaired sooner and if some more labour has to be performed than usual, it would result in an increase

in the labour of all people in the society. When means of production and human beings exist in the context of 'collective relationships', everyone will get advantages or disadvantages of any kind in the same manner. **In such a situation, either gaining or losing individually does not occur.**

The privately experienced losses and gains and privately felt sorrows and joys of the individuals appear to those individuals as 'good luck' and 'bad luck' independent of the society as a whole.

(3) Care of the fixed means :

In order to keep the 'fixed means' in good condition, they should always be cleaned and taken care of and necessary repairs be done. To keep a building clean, there should be labourers who perform the work and they should be provided with the necessary means of production such as water, brooms, buckets, germicides and so on. Each fixed means of production should be protected in accordance with methods prescribed for it. All these expenses constitute 'maintenance' expenses and 'repair' expenses. It means that some more value is spent on the means of production from time to time. It is also included in the expenditure on the fixed means. These expenses of maintenance and repairs too are added to the commodity just as a certain amount of 'depreciation' expense from the fixed means add to the commodity . These are recovered as soon as the commodity is sold.

However, no expense should exceed the average estimates. If an instrument of labour lying with a particular capitalist gets regularly damaged, he will be obliged to incur more than the average expenditure to get it repaired. He cannot fix more value to his commodity, saying that 'my instrument of labour was too often damaged and I had to incur many more expenses and hence give more value to my commodity'.

Let us suppose that there were no repairs at all for a capitalist's instrument of labour in a particular month. Even then he can add 'average repair expenses' to the commodity's value. He too has the chance, like others, to add 'average repair expenses'. Though no repair became necessary in a particular month, the instrument might need repairs exceeding the average in the following month. It is his 'luck' if his instrument of labour is so good that it needs very few repairs. He will then be able to add some more value to the commodity in the name of repairs without really spending anything on it. Owing to that, the profit of that fellow increases a little. Such special occasions still further mystify

the secret of 'profit'. A strong conviction is created that profit is a thing that is related to instruments of labour since it so happens that there is greater profit when repairs of instruments of labour are less and less profit when repairs are more.

Expenses on the 'maintenance' and 'repairs' on the fixed means should be divided into of two kinds: (1) the part concerning means of production required to carry on these tasks and (2) the part concerning the wages of the labourers who perform those tasks. These expenses are also meant for cloth only. The first part goes into 'constant capital' and the second part goes into 'variable capital'. The surplus value derived from the value of the cloth includes the surplus value of these workers as well.

(4) Public fixed means :

Fixed means are found not only in the 'work place' but also everywhere in daily life. Anything that is produced by labour and endures for quite some time is a fixed means. All the constructions in the society—roads, canals, wells, reservoirs, rail-roads, bridges, ports and aerodromes, rail-stations, bus-stands and water tanks are immovable fixed means. Carts, buses, trains and aeroplanes are moving (with the labour of transport workers) fixed means.

Oxen, horses and the like, which are under human control are 'living fixed means'. Of these, some are used for the private use of individuals while others are used only in the 'work places' of capitalists.

Public constructions like roads, bridges and railway stations are 'state' property. That is, 'collective' property of the entire society. But in the capitalist society there is no scope for the working class to use this 'collective property' as much as the capitalist class does. The 'collective' property in the capitalist society is the 'collective' property of only capitalists. That is, this state property is such that they can use it collectively, while each one of these fellows possesses private property separately. That is why, the collective property of the capitalist society serves as collective property only of the capitalist class. Workers have very little place in this 'collectiveness'. It is as good as non-existent.

The method of reconstructing the fixed means is varied depending upon the nature of those means. When buildings, bridges and the like become old, they have to be demolished and new one need to be constructed. But, in the case of roads, rail tracks and the like, they can be

changed in parts where they are damaged. They need not be changed totally at a time. This is how the method would be.

(5) Rent on the fixed means :

Let us take 'house' as an example. The value of a house is 10 thousand. We are disregarding the land on which that house is located and are considering only the house. To buy that house, it is enough to pay 10 thousand. Then, it amounts to taking the house by paying whatever value that house has. It will be an exchange of equal values only. But, when that house is taken on rent, it would not be an exchange between equal values. We will see this point now.

A capitalist called 'A' invested 6 thousands on 'c + v' in order to get a house constructed. (We are not considering the question of land). The house has been constructed. Its value is 10 thousands. 'A' has sold the house to 'B'. If the capital of 6 thousand is taken back out of 10 thousand that has been received after selling out, the surplus value will be 4 thousand. It belongs to the workers who built that house.

'B', who purchased that house has purchased the house with an intention of letting it out for rent. For that, he invested 10 thousands. Now, 'B' himself is the owner of the house.

Suppose that the lifetime of that house is 20 years. Which means, it will be ruined by that time.

If someone lives in that house for 20 years, it means that a value of 10 thousand (excluding expenditure on its maintenance) have to be spent for using that house for so long a time. Let us suppose that the expenditure to build the same kind of house again after 20 years would not be more than 10 thousand. (If it changes, the changed value itself will be taken into account. But, to make our example simple, we have to assume that the value of the 'house' will not change until 20 years).

If 10 thousand is spent for 20 years for using that house, it comes to 500 per year and 42 per a month. This is the actual expense incurred for using that house. Whether that house is let out for 'rent' or used personally, the monthly expense for using it will be 42 only. That itself is the actual monthly value of that house.

However, let us assume that 'B', who purchased this house with 10 thousand with a view to 'rent' it out, gave it for a monthly 'rental' of 42. The owner of the house will be getting 42 every month as rent. By the

completion of 20 years, 10 thousands will come back. By that time, the house will be in a ruined condition.

'B' can secure a new house again with 10 thousand that has returned. (Let us suppose that if that 10 thousand were given to 'A', 'A' would get a new house constructed). Which means, the house-owner initially spent 10 thousand to buy that house and earned back that 10 thousand only through its rent! If it happens thus, this transaction will not have any meaning. What has to be secured is not simply the return of the value of the house, but also interest and profit on the invested capital (of 10 thousand). 'Taxes' on the house to be paid to the government have to be secured. Now, we have to take 'land' into account. Rent for the land, on which the house is situated, should also return. All these items too should come from the house-rent.

Let us suppose that rent of the land per month is 40 and profit, interest, etc., are 70. Then the rent of this house will be 42+40+70=152. This rent of 152 might go up or down later according to such circumstances as whether or not there are many people who hire houses in that area and whether or not there are many houses available for rent. Suppose the monthly rent of that house came to 150 because of such circumstances. The actual rent in that 150 is 42. The false rent that has no connection whatever with the actual value of that house is 108.

When a house is purchased, whatever is paid for that house will be its 'value'. That will be an exchange of equal value. But, **when that house is hired for 'rent', the rent paid for it is not only its value; but also more than that. The house owner gives it for 'rent' only for that excess.** It will not be an exchange of equal values.

In this example, the house-owner takes back every month the value and takes 108 more as well.

If the land on which that house has been constructed is the 'own' land of that house-owner, the 'land-rent', without going out, will remain with that family. Similarly, if the 'capital' spent for constructing the house too is the 'own capital', the interest on that capital, without going outside, will remain with that family.

In case that land as well as that capital are not one's own, the land rent and interest go out. But, 'profit' comes to that family.

Which means, the commodity called 'rented house' will be fetching back to its owner every month a part of the capital invested on that house

and, in addition, some 'surplus value' too. Capital performs its bounden duty strictly irrespective of the 'commodity' on which it is invested. If that duty cannot be discharged in any sector, capital would not enter that sector at all.

The surplus value, which the house owner earns through the house rent, is not the labour of that house owner. It is the portion, which that owner earns 'without doing labour'!

Then, whose 'labour' is it? Is it the 'surplus value' of the workers who built that house? No. We have seen that 'A' built that house and sold it to 'B'. We have seen that surplus value—4 thousand—of the workers who built, went into the hands of 'A' only. In case, 'B' himself got that house constructed, the surplus value of that 4 thousand would go to 'B' only. But, that is not relevant here. We have to consider only the surplus value that comes from the house rent. Whose value is this? This is not of the workers who built that house. To know as to whom it belongs, we should know as to who has taken that house for rent.

Let us suppose that a worker took that house on rent. The worker pays that rent from his 'wage' only. It is justified to pay up to 42 out of that rent for using the thing called 'house' for one month. It is like paying a month's value of the thing used. The remaining 108, however, is the value unrelated to the thing taken. Which means, the house owner is snatching 150 value by giving a thing of 42 value to the person who took the house on rent and the exchange that takes place between the person who lets the house on rent and the person who takes the house on rent is not an exchange of equal values.

Let us suppose that a cloth capitalist took that house on rent as his 'work place'. Then, that house will be as the 'fixed means' necessary for making a commodity called 'cloth'. That cloth capitalist pays the house rent every month from the 'value' of the commodity produced in that month.

If the capitalist pays 150 as rent for one month, will whole of it really constitute the expenditure spent on the 'commodity'?—No. Only up to 42 of it will enter into the portion of 'means of production'. But, the capitalist pays 108 more as well. That is a part of the 'surplus value' of the workers who produced that cloth.

We have to understand this point properly.

In the accounts which the capitalist shows, we consider the rent paid to the building as part of the 'means of production'. But, it means all that is paid as 'rent' is not in fact the actual value relating to the building! It means that some part of it is the 'surplus value' of the workers working for that capitalist!

Let us suppose that a capitalist uses his own building as his 'work place'. Whether the building is his own or rented, its actual value will enter into the value of the commodity produced in that work place. Let us suppose that the actual value of the capitalist's building is 100 per month. However, let us suppose that the capitalist is taking 300 rent for it and writes the same in the accounts. It does not mean that whatever he pays as building rent is not the actual expenditure incurred on the commodity. That is, in this example, the real rent is 100 and false rent is 200. While the real rent is part of the 'constant capital', false rent is a part of the 'surplus value'.

If we consider the society as a whole, most part of the rents paid for houses and work places is the surplus value of the workers in the society.

If the owners use the house for themselves without giving for rent, the house serves as the 'use value' for that family. By the time that house becomes old, that family won't get even a single paisa as 'money' from that house. But, it serves as a 'shelter' to live for those many years and gets exhausted.

Let us suppose that a capitalist, who earns 'rents', purchased some 'vehicles' and is doing the business of renting them out. Where does that excess value come from which he gets by renting out those vehicles?. Does it belong to the workers who have produced those vehicles? No. The renter pays its full value while purchasing a vehicle. He won't get any profit from the purchased value. He earns more value than what he had invested only by renting it out. **That excess value is the part of the surplus value of the workers who had worked in that production process in which that vehicle served as a fixed means.**

There are certain things, which the workers also take on rent. They are, cheap type of houses, bicycles, certain types of vessels, clothes and the like.

When the capitalist, who earns profits by renting out things, receives 'rent' from a worker, the profit that comes from that rent is a part of the worker's wage. When he receives rent from a capitalist, the profit that

comes from that rent is a part of the surplus value of the labourers who work under that capitalist. However we may view it, all the profits that the renter earns are the fruit of the workers' labour. Which means, the fellow who earns profits by renting the things also belongs to the gang of exploiters who swallow the fruit of others' labour.

The example of a 'house' is not suitable for seeing the difference between the purchase value and the rental value of a commodity. Because, the purchase value of the house includes the land value too. Therefore, it turns out that there is some false value even in this example. The difference between the actual value and the rental value appears strikingly in the case of such things as bicycles, rickshaws, buses, certain other instruments of labour, vessels and clothes.

The original owners get big repairs done to these 'rented things'. The renters get small repairs done.

The accounts of the capitalist show the building and other instruments of labour; isn't it? Let us suppose that accounts show that buildings and other instruments have been borrowed on rent. We should not take these accounts as they are. We should not suppose that he has really spent on the 'means of production'! We have to estimate the actual value and add only that value to the 'constant' part. We have to include the remainder under the portion of 'surplus value'.

Let us suppose that the building, which serves as the capitalist's 'work place', is his own building. Since a part of what he writes down as the rent of the building goes into his 'own pocket', the number of the pockets of the capitalist are now 8 and not 7. We should not simply count the number of these pockets. Whenever each one of the pockets bulges, we should understand more clearly why the class of labourers is in such poverty. **An increase in the number of pockets of a capitalist implies an addition of another means of snatching away of the fruit of the labour of the labourers.** It implies an addition of another gang of fellows who eat and sit without doing any labour of their own—We have to understand these things.

(6) Floors upon floors is the capitalist system only :

Raising buildings storey upon storey is something, which harms the people who participate in that 'labour process'. Whatever be the labour, it should go on in the way, which will not cause harm to those who perform that labour. But capitalism is just the opposite of this. Getting buildings

constructed and selling them too constitutes a branch of commodity production. Capitalists raise buildings to the skies. Not to see the skies, but to see money piled as high as the skies! The land under the possession of a capitalist will be within a certain limit. But he has to earn unending amounts of money by means of this limited land. When he intends to build houses on that limited land and sell them, there is no other way but to raise storey upon storey. That is why the capitalist goes up to the sky by increasing the stories. This causes harm in a number of ways to the workers who participate in building so many floors. Moreover, after the completion, that 'big mansion' will turn out to be highly dangerous for those who live in it. But the money-orientation of the capitalist will not bother about any of these things.

If the land does not belong to private individuals in the form of fragments and instead if it belongs to society collectively, it would be possible for the society to use any length and breadth of the land. Then the society will be able to undertake its house building in natural ways.

(In this context, we have to understand things by adding another point namely 'contradiction between town and country'. In capitalism, the process of migration of large part of the population from villages to the cities takes place. The practice of raising buildings storey upon storey will become inevitable also because of the increasing housing problem. We will see these points in the chapter on "Expansion of Capital" in the next volume.)

Every commodity in capitalism gets adulterated. As the capitalist gets buildings produced like commodities, they also become an 'adulterated' commodity in many aspects. They become adulterated in the sense that they look grand from outside, but real amenities are absent within; there is the danger of the roof falling at any moment like a suspended sword. The commodities of the capitalist too do not possess properties that yield comfort and repose and the same is the case with buildings also.

10) Economists on the 'division within capital'

There are no such terms as 'constant capital' or 'variable capital' or any understanding about them in the 'capitalist economics'. The capitalist economists did not understand that the portion of the 'capital' invested on 'means of production' does not yield more value than its own and that the portion invested on 'wages' yields more value. (They don't like to

realise that fact even today). So, in their 'books', we don't find words, which give that understanding and that division. They distinguish capital only as 'fixed capital' and 'circulating capital'. That too quite erroneously.

Those errors are as follows: (1) the entire commodity produced and ready for sale is 'fixed capital'. It is 'circulating capital' after its sale. (2) Wages are 'circulating capital'. All the items except wages are fixed capital. Thus, if one economist explains in the former way, another economist explains in the later way. Yet another economist in another manner. All these are erroneous explanations.

If any of these economists look at 'wages' differently from the remaining items, they do so not with a view to understand the specific character of the wages. They do so with a view to examine whether values of the commodities change due to changes in the wages. Only for that reason, they look at wages differently from other items.

Moreover, the capitalist economists thought that they could examine 'the question of variation in the profits between the capitals of different branches of production' by means of the division between 'fixed and circulating' aspects.

If the capital in a branch produces more profit, the capital in another branch produces less profit. Economics should be able to explain why it happens so. Production of higher and lower profits in different branches takes place because the portions of capital laid out on the means of production and wages (the constant capital and variable capital) will not be uniform in all the branches of production. But capitalist economists are not able to understand why variations in profits occur between different branches of production and between different capitals in the same branch since they do not have the 'constant vs. variable' perspective. But, as they observe variations in profits in daily life, they thought that it is the main task of 'economics' to examine how these variations occur. They thought that they could understand the question of variations of profits if they could grasp the question of giving back values in full or piecemeal. Only for this purpose, they paid attention on the distinction of what aspect of capital is fixed and what is circulating.

The strange thing is, for capitalist economics, the main concern has been not an examination of 'how profits come', but an examination of 'how variations occur in profits'. One can know about the way in which variations in profits occur only if they know how profits come, isn't it ? In order to know anything about profit, 'capital' should

be viewed in terms of 'constant and variable' parts and it is not enough to view it merely in terms of fixed and circulating parts. Owing to the 'constant-variable' distinction, one can know how capital grows and which particular item helps it grow. One can know that the value of the 'means of production' merely gets transferred to the commodity; that the value of 'wages' gets itself 'reproduced', and that in that 'process of reproduction' itself, there is scope for wages to produce more than their own value. But, in the 'fixed-circulating' distinction, the item that gives more than their own value (variable) gets mixed up with the items that do not give more value than their value (constant).

The fixed-circulating distinction is concerned with an examination of the 'turnover', namely, how initially invested values come back; but not concerned with the examination of production, namely, how more value is being produced than the invested value.

To examine the manner in which the value of an item in 'capital' comes back is only to examine the returning of invested values. Which means, there is no mention of examining the fact that a 'new value' is coming over and above the invested values. The 'fixed-circulating' distinction does not explain that a new value will come up by means of capital and that it did not exist anywhere. An examination that does not show the cause of profit will not show the cause of variations in profits as well; isn't it?

The economists, who think that a special investigation of 'profit' is not necessary and who think that profit on capital is natural, are not concerned with the 'constant-variable' distinction. Then there remains an investigation of the manner in which the value of each element of capital returns.

Abandoning the 'investigation of profit' amounts to abandoning 'production process'. What then remains is only the 'process of circulation'. **Capitalist economists always limit the entire economic investigation only to the 'sphere of circulation'.** The stage of 'productive capital' is not at all present in their investigation. They see only a part of the stage of 'money-capital'. They see something in which no truth appears and there is no use.

As their investigation revolves around the 'sphere of circulation', they do not see the 'inner causes' in any issue. They simply see superficial 'results'. By seeing only the 'results' without knowing the 'causes', they guess wrong causes for those results!

11) Social capital

The total capital spent on the 'total production' in a given society is 'social capital'. The 'total production' may be of a day or of a month or of a year. For example, we consider a day's production, we will find a day's capital only. If we consider a month's production, we will find a month's capital only. If we consider a year's production, we will find a year's capital!

But usually, when we speak of 'total social production', we consider a year's production only. The principal crops necessary for the society come only once in a year. The products that grow on land serve as raw materials for many a industry and their values show a rise or fall (compared to the previous year) once in a year. Therefore, when we speak of 'social production', we take into account only a year's production. All the principles of examining the value of production are the same, whether we consider one day's production or one year's production.

When we speak of a 'capitalist country', it does not mean that there exist capitalists and workers only. There exist also certain population of Independent producers. That society also uses the 'production' which they (Independent producers) produced. That production, however, will be extremely low. Let us suppose that the value of the total production in a given 'capitalist country' is 100. Out of it, let us suppose, 98% of the production is through capitalists and 2% is from the Independent producers. That is, the production by the Independent producers, when compared with the total production, is very low. It amounts to nothing. The production by the Independent producers in any capitalist country will be very low. Therefore, while examining capitalism, we do not take into account the production by Independent producers (though it exists in the society). We consider the production through capitalists as 'social production' and examine that alone.

Let us suppose that there are 100 capitalists in all in a 'society'. The 'government' that the society has, is also a capitalist. The government also runs many 'industries', produces many commodities and earns profits by selling them (all that income goes into the government treasury). Therefore, if we add the government also to the individual capitalists, the total number of capitalists in the society will be 101. The production that takes place under these 101 capitalists is the 'total production' of that society and the circulating capital that is spent on this production is 'social capital'.

'Social capital' is not the capital of an individual capitalist but the capital of the entire class of capitalists. It is with this capital that the capitalist class gets the annual production done.

To make the example simpler, let us suppose that there are only 4 capitalists in all in the society. Each one of them will have a certain amount of fixed capital, which he does not spend. Let us suppose that their capitals are like this.

Fixed of the 1st fellow	— 700	Circulating	— 100
,, 2nd fellow	— 800	,,	— 150
,, 3rd fellow	— 500	,,	— 200
,, 4th fellow	— 1200	,,	— 80
Total :	3200		530

Total capital of the society = Total fixed capital 3,200+Total circulating capital 530=3,730. This entire capital will be functioning in the work places. But the undepreciated value of the fixed means will be staying intact while the remaining value alone becomes circulating capital. It means that in this example, the capitalist has carried out the total production by spending these 4 circulating capitals, i.e.,530. And this alone is 'social capital' of the current year.

When the entire commodity produced in that year is sold away (that is, when the entire commodity reaches the places it should reach by means of various exchanges between capitalists and capitalists; and between capitalists and workers), each capitalist gets back his own circulating capital and along with it each fellow would get 'surplus value' as well.

12) Social wealth

The total product in a year constitutes that year's 'social wealth'. **Social wealth is the total of social capital plus the surplus value.** This is C^1 for the society. The value of social wealth is greater than that of social capital because it includes 'surplus value' also. **While the working class consumes the 'portion of the wages' of 'social wealth', the capitalist class consumes the 'portion of the surplus value'. The 'portion of the means of production' converts again into new means of production.**

In this 'social wealth', surplus value alone is the newly produced value. All that remains is the old value only. In that value, the value of wages gets 'reproduced'. The value of the 'means of production' will not be produced again. It simply gets transferred to the commodity (We will see in the chapter "Looking at the components of value of the commodity in terms of the corresponding proportional parts of the commodity itself", the question of how the spent products along with their value calculations come back).

Let us suppose that the 'social product' in a year is 120 (this 120 might be taken as 120 lakhs or 120 crores. It is easier to understand things if the figures are kept as low as possible). It is the product that all the capitalists in that society had got it produced. Let us suppose that its 'circulating capital' is 100. In it, constant is 80, variable is 20 and surplus value is 20. Total product is 120.

To borrow the same terms, which the capitalist uses, namely, 'gross' and 'net' but conveying our own meaning, we may say that this total product with 120 value is the gross product. If 100 capital spent on it is deducted from this, the remaining product with 20 value is the 'net' product.

Another name for the 'social wealth' is 'national wealth'. But these 2 words as well hide completely the actual truth. Because, the term 'social wealth' denotes that that property belongs to the entire society. Similarly, the term 'national wealth' too denotes that that the property belongs to the whole 'nation'. What goes to the working class in fact is the portion of wages only. All that remains belongs to the capitalist class. But, these distinctions do not appear in terms of 'social wealth' and 'national wealth'.

In a society where 'property' splits into the portion of wages for the labouring population and the portion of surplus value for the non-labouring population, these terms of social wealth and national wealth are totally meaningless.

13) Rich-poor distinctions apply only to human beings and not to regions and countries

Persons who possess money and other properties are 'rich'. (It is needless to say specifically how those persons get those things). Persons who do not possess anything more than 'minimum means of subsistence' are poor. Thus, we can classify human beings as 'poor and the rich'.

But, **it is meaningless to classify two countries as 'rich country' and 'poor country'.** Because, when we refer to a country as a 'rich country', are all persons there rich? Are not there poor people? In fact, only the exploiters there are rich and all the labourers are poor. Therefore, it is not possible to call the entire country a 'rich country'.

Similarly, it is not possible to call a country a 'poor country'. Because, only the labourers living there are poor and all the exploiters are rich.

Hence, **the country which comprises the rich and the poor is not either a rich country or a poor country.**

The classification 'rich country' and 'poor country' creates an illusion that there are no poor in the rich country and there are no rich in the poor country. This classification confuses the rich-poor distinctions. Therefore, countries should not be classified as 'rich country' and 'poor country'. It is a meaningless thing.

The capitalist economists hold wrong notions with regard to this aspect also as they do in the case of all other aspects. It is a wrong notion to think that countries have rich-poor distinctions naturally. It is true that there are natural differences between one region and another region on earth. But these differences will not make a region either rich or poor. If the rice grows here, wheat grows there, on the earth. If coal is available here, oil is available elsewhere. If hills abound here, forests abound there. If herbs are available in hills, timber is available in forests. If fresh water is available in rivers, fish is available in seas. All these varied resources are necessary for human beings to live. We cannot classify one substance as 'rich material' and another as 'poor material'.

While the product made with more labour has higher value; the production made with less has lesser value. The value of 1 kilo wheat is higher than the value of 1 kilo jowl. The product having higher value is not rich and the product with low value is not poor. Similarly, the land in which jowar grows is not poor and the land in which wheat grows is not rich. That is, the rich-poor differences won't apply to either the things or to the places.

However, since very few persons have occupied the 'land' as their 'own property', the specialities in the land appear as the rich-poor differences. On the basis of 'private property', every thing that is natural transforms into an unnatural thing.

If the entire humankind (not animal kinds) living on earth were to use all available different resources on the earth 'collectively' without a 'value' perspective by sending supplies from one region to another, all resources would be available to all regions alike. Then one region is not rich while another is poor.

Capitalist economists—who form opinions by observing superficial things, look at the differences in the masses of products in various regions and the corresponding differences in the masses of money that they fetch—classify those regions into 'rich' and 'poor'. They will be referring those regions in terms of that erroneous classification.

The second wrong notion with regard to this issue is to assume that a country with more social capital is a rich country and the country without it a poor country. It is wrong to assume like this because the population of the poor people exists however large the 'social capital' there may be. The majority of the working population is poor. Similarly, in another country there exists a population of the rich people however small the 'social capital' there may be. The entire capitalist class comprises the population of rich persons. Therefore, it is very wrong to classify countries as rich and poor based on the greater or lesser quantities of social capital.

The third wrong notion with regard to this issue is to determine the rich-poor differences based on the 'average income' arrived at by dividing the total income produced in a year with the total population. 'Per capita income' is another name of 'average' income. Let us suppose that the per capita income of a country called 'A' is 10 and the per capita income of a country called 'B' is 5. Then, the country 'A' will be a rich country and 'B' is a poor country. The wrongness of this notion is that, when we speak of per capita income, the income of each person (each head) appears uniformly. If the income of a worker in the country 'A' is 10, the income of the capitalist too is the same. If the income of a worker in the country 'B' is 5, the income of a capitalist too is the same. It means that, if we view in this manner, the entire population in the country 'A' is rich and the population in the country 'B' is poor. It means that worker in the country 'A' is richer than the capitalists in the country 'B'!

In any manner, it is not a correct understanding to classify countries consisting of rich and poor people in terms of rich country or poor country. This classification does not apply to any country.

One should have a correct understanding of issues such as 'social capital', 'social wealth', 'gross product' and 'net product' in order to

understand correctly such questions as 'what is the total annual product in society?' 'What is the portion that goes to the working class out of the total product?' and 'what is the portion that goes to the capitalist class?'

When we speak of 'society', whether we consider only one country or the 'entire world', all the laws of value are identical.

Just as the capital of all capitalists in a 'country' is the 'total capital of that country, the capital of all capitalists in the 'world' becomes the 'total capital of the world'. If a country's product is that country's wealth, the world's product becomes the 'world's wealth'.

Questions :

1. Capital : what are its constituent parts?
2. What is the relationship between constant capital and variable capital? Of what do they form parts?
3. What are the items that take part in the 'production process' among the following?
   1) Means of production and wages.
   2) Means of production and means of subsistence.
   3) Means of production and labourers.
   4) Means of production and labour power.
4. There are 4 answers here to explain why a means of production becomes a fixed means. Which of them is correct?
   1) An object becomes a fixed means by virtue of being an instrument of labour.
   2) An object becomes a fixed means by lasting long.
   3) It becomes a fixed instrument because it does not give its value to the commodity all at once but only piecemeal.
   4) It becomes a fixed instrument because it is made of metal and is hard.
   5) The value of a fixed means is 500. Its lifetime is 12 years. How much value will it still have after the completion of 7 years?
6. Can you suggest any symbol in order to understand 'fixed capital' easily?

7. Even fixed capital turns into circulating capital after some time—Is this correct?
8. Circulating capital + surplus value=?
9. Commodity value – surplus value=?
10. The total lifetime of fixed means in a work place is 350 years. The total of their values is Rs.1.05,000. Fixed means of how much value are consumed each month for the commodity production in that work place?
11. 80 constant and 20 variable are necessary to produce 100 metres of cloth. Of the 80 constant, the value of raw material is 30 and the value of auxiliary material is 4. How many raw materials and how much fixed are necessary for 700 metres of cloth?
12. Mention some fixed means, which you use in every day life.
13. What are the fixed means? What are raw materials and what else are auxiliary in these objects?

    Water, coal, broomstick, pen, cotton, shirt, rice, oil, shoes, ox.
14. What is the difference between the same kind of wild animal and a domesticated animal?
15. The monthly rent of a house is 250. Is it all profit for the house owner?
16. The members of a family had a house constructed for their own use, but not with a specific view to let it out for rent. But some of the family members left for other places after some time, they let out a portion of the house for rent according to the market rate. Does that rent fetch them profit?
17. A news report says that a bridge under construction collapsed. What is the reason for it?
18. It happens daily that labourers receive injuries and die in the course of construction work. Does it so happen that contractors of those building also receive injuries and die?
19. Is the region where you live reputed as a rich region or as a poor region? Why?
20. Is there any difference between social wealth and social capital? What is it?

21. The value of the total production in a country in a year is 500. Its proportions are 300c+100v+100s. 90% of this production is through capitalists and 10% is through Independent producers. Explain the value (and its proportions) of the production through capitalists and Independent producers.

22. Are these meanings correct?
    1) All people will be rich in a 'rich country'; there won't be poor people.
    2) All are poor people in a 'poor-country'; there won't be rich people.
    3) In the total population of a 'rich country', rich people will be in more numbers and poor will be in less numbers.
    4) In the total population of a 'poor country', poor people will be in more numbers and rich will be in less numbers.
    5) In a 'rich country', all people are masters; there won't be workers.
    6) In a 'poor country' all are labourers; there won't be masters.
    7) 'Rich country' and 'poor country' mean that 'labourers of a 'rich country' are richer than those of a 'poor country'. It means, the 'rich-poor' distinction is concerned with the labourers of two countries.
    8) The distinction of 'rich country' and 'poor country' totally false. It is not correct in any manner.

23. Special for artists:

    Social capital may be compared with a tree. Parts of social capital are found in different branches of production. Draw the figure of a tree. Write 'social capital' on the trunk of the tree and write each name on each branch: Agriculture, cloth production, machinery production, transport, films, newspapers! The total of the capital invested on all the branches is 'social capital'.

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Chapter 5

Rate of Surplus Value
(Degree of Exploitation)

We know what 'surplus value' is. Surplus value is the value that comes in addition to the capital advanced. The workers daily produce, as a rule, some 'surplus value' in their work. That is, they perform some 'surplus labour'.

When the workers get down to work, they have to perform, for some time, work that is equivalent to the value of 'wages'. This portion of the work is one that has to be performed for their own sake. Workers have to do this portion of work. For labourers, this is the portion of necessary labour. After the completion of the work that is equivalent to the value of wages, whatever work that is performed thenceforth, the whole of it will be not for the sake of workers but for the sake of capitalist. It is the surplus labour done by the labourers. Which means, after getting down to work everyday, workers perform 'necessary labour' for some time and 'surplus labour' for some more time. Neither the capitalist nor the worker knows that the work done daily thus consists of 2 portions.

If the 'working day' is 12 hours, it may have 6 hours of necessary labour and 6 hours of surplus labour. Or there may be 4 hours of necessary labour and 8 hours of surplus labour. Or 10 hours of necessary labour and 2 hours of surplus labour. These two portions might thus be of any portion.

It is the 'rate of surplus value' that expresses the ratios of the two portions of labour in a 'working day'. By means of 'this rate' we can know how much work the workers have done for themselves and how much for the exploiters. This rate of surplus value measures 'exploitation' just as a thermometer measures 'heat'. It reveals the degree of exploitation. The rate of surplus value can, therefore, be called as 'degree of exploitation'.

We can know how many hours the working day of a capitalist is composed of. But, outwardly it is not obvious how many hours of 'necessary labour' and how many hours of 'surplus labour' are performed. We need to 'discover' it by means of certain calculations. We have to begin with such calculations as 'how much capital a capitalist advanced and how much profit he got on it'.

Initially, the cloth capitalist invested 100 capital. Out of it, 80 on constant and 20 on variable. The working day is 12 hours. Particulars as to how many workers are present in the work place are not required. It is enough to know the sum, which he invested on 'wages' for all the workers. That is 20. '100 metres of cloth' is produced in a day's work. The capitalist has sold it away. Unless we know for what amount he sold it, we cannot know how much he got in addition to the capital advanced. Even if he has not yet sold it, we need at least to know its value in the prevailing market situation. Its value will definitely be more than the value of the capital spent on it. Therefore, let us suppose that the capitalist sold it for 120. Which means, he got 20 more value than the capital advanced. This is 'surplus value'. It can be called 'mass of surplus value' or 'equality of surplus value'.

'Surplus value' will be known if the expenditure spent initially on the commodity and the value at which the commodity is sold are known. Then, the rate of surplus value will be known if the proportions of wages and surplus value are seen.

1) Rate of surplus value

We may call this as 'percentage of surplus value' and 'degree of exploitation' as well.

Wages 20. Surplus value 20. We know that workers alone produce these two values. It means that workers performed 20+20=40 value of labour in that day's work. Here, wages and surplus value as well are half each. Therefore, it can easily be known that in a working day of 12 hours, half of the time is necessary labour and half of the time is surplus labour. But, all examples are not as self-evident as this. Therefore, there should be a 'formula' to know these proportions.

Seeing the relationship between wages and surplus value in terms of 'percentage' itself is the formula that finds out the 'rate of surplus value'. 'Rate' means 'percentage' only. Supposing that,

from 20 wages — surplus value is 20.
from 100 wages — .....?

$$\frac{\text{20 surplus value}}{\text{20 Wages}} \times 100 = 100\%.$$

This alone is the 'rate of surplus value. Or percentage of surplus value.

100% means cent per cent. If wages are 100, surplus value is 100. Or, whatever is the necessary labour, the same will be the surplus labour and so on. Necessary labour and surplus labour constitute two halves in this example.

Necessary labour	:	Surplus labour
100	:	100
1	:	1

This means that the 'working day' here is of two equal portions 1+1=2. It does not make any difference if the number of hours in the working day is known or not known. It only means that whatever may be the working day, half of the time constitutes necessary labour and another half constitutes surplus labour. If the working day is of 12 hours, 6 hours constitutes necessary labour and 6 hours constitutes surplus labour. If the working day is of 8 hours, 4 hours for necessary labour and 4 hours for surplus labour. It goes on like this.

When we say that the rate of surplus value is 100%, it means that the workers worked without wages for as much time as they worked with wages. If the wages are to be paid even for the time when they had worked without wages, 20 wages must be paid once again. It means that the 'surplus value' should be given away to the workers only. If 20 of wages and 20 surplus value are put together, it would amount to the total value rendered by the workers. But there are no wages for the portion of surplus labour. Therefore, the rate of surplus value or the degree of exploitation in this example is 100.

It is enough to know about wages and surplus value in order to know the rate of surplus value. It is not necessary to know the amount of constant capital. Because constant capital will not have any role to play in producing surplus value. As it is only wages that produce surplus value, constant capital is equal to zero in the matter of calculating the rate of surplus value.

We may calculate the rate of surplus value in another manner. It is by looking at the percentage of surplus value in the total value which the labourers rendered.

Let us once again see the first example.

Wages-20. Surplus value-20.

The total value rendered by labourers is 20+20=40.

What is the percentage of surplus value in this total value?

If surplus value is 20 in a value of 40 and if we take the entire value as 100, the surplus value in it is:

$$\frac{20}{40} \times 100 = 50\%.$$

The same 100% which we arrived at in the first method has appeared as 50% in the second method. But, these 2 methods refer to the same essence.

In the first method, we compared surplus value with wages. The rate is 100%. Which means, if wages are 100, the surplus value is 100. Both are equal. It means that the working day is of 2 equal parts.

In the second method, we compared surplus value with the total value rendered by labourers. The rate is 50%. Which means, if wages are 50, the surplus value is 50. Even now, the working day is of 2 equal parts.

Whatever be the manner in which we may look, the essence is the same.

However, in the first method, there will be some possibility of getting confused in understanding the parts of a working day. There won't be such a possibility in the second method.

In the first method, when we find the rate of surplus value as 100%, the whole working day appears, if we don't understand it properly, as constituting surplus value. In this method, the rate of surplus value will be greater than 100% in certain examples. Such examples as these may confuse further.

But, if it is in the second method, the rate of surplus value will never be either 100% or more than that. It will be less than 100% in any example. In the example, which we have seen, that rate is 50%. As soon as we see this, we will easily know that half of the working day constitutes 'wages' and half of it constitutes 'surplus value'. In this same method, in another example, let us assume the rate of surplus value is 99% and the portion of wages is 1%. Thus, as the rate of surplus value will never be as 100% in the second method, there won't be difficulty in understanding parts of a working day.

(But, Marx has explained the rate of surplus value in the former method only. Readers who will see the original 'Capital' will find the former method only. Therefore, I too have shown all the later examples in the former method only.)

Another example:

Capital spent is 120. Out of that wages are 80. Commodity value is 160. What is the degree of exploitation? That is, what is the rate of surplus value?

First, we have to see the amount of surplus value. Later, we have to see the relationship between the wages and the surplus value in terms of 'percentage'. That's all.

If we deduct the capital from the commodity value, we will know surplus value. In this example, surplus value is 160–120=40.

If 80 wages give — 40 surplus value,
100 wages give — ?

$$\frac{40}{80} \times 100 = 50\%.$$

This is the rate of surplus value.

That is 50 for 100. It means that if the portion of necessary labour is 100, the portion of surplus labour is 50.

Necessary labour	:	Surplus labour
100	:	50
2	:	1

The working day is of 3 parts=2+1=3.

In it, necessary labour is of 2 parts and surplus labour is of 1 part. If the working day is of 12 hours and we divide it into 3 parts, each part consists of 4 hours. The portion of necessary labour is of 8 hours + the portion of surplus labour is of 4 hours. In this example, the workers worked without wages for half of the period during which they worked with wages. If wages are to be paid even for the period of surplus labour, the 40 which constitutes surplus value too has to be given. Here, the total value of the workers' labour is = wages 80+surplus value 40=120.

Another example:

Wages 27. Surplus value 108. What is the rate of surplus value? What are the portions of necessary and surplus labour?

If 27 wages give — 108 surplus value,
100 wages give — ?

$$\frac{108}{2} \times 100 = 400\%.$$

In this example, the rate of surplus value is 400%. That is, 400 for 100. Which means, if the first part is 100, the second part is 400.

Necessary labour	:	Surplus labour
100	:	400
1	:	4

The working day is of 1+4=5 parts. In it, 1 part is necessary labour and 4 parts are surplus labour. If we device a working day of 12 hours as per this proportion, the time of necessary labour comes to 2 hours and 24 minutes and the time of surplus labour comes to 9 hours and 36 minutes. Here, the degree of exploitation is 400%.

If we don't understand the rate of surplus value properly, it may appear that there is some mistake in calculation if the rate of surplus value is said to be 100% and even more. When we say that the rate of surplus value is 100%, it will be mistakenly understood that workers had performed surplus labour during the entire working day. But, to say that the rate of surplus value is 100%, it only means to say that workers laboured without wages for so long a time during which they worked with wages. But, it does not amount to saying that they performed surplus labour alone in the total period of working. There won't be any mistake if we say that the rate of surplus value is 100% and even more.

Some issues concerning 'surplus value' and its 'rate'

We have supposed in the cloth example that 80 is constant and 20 is variable. Let us suppose that there are still fixed means of 400 value in the 'work place'. The rate of surplus value has nothing to do with either the 80 constant or with the fixed means in the work place. As wages alone give the surplus value, the relations of these 2 factors alone constitute the rate of surplus value.

* 'Surplus value' and the 'rate of surplus value' are not the same.
* 'Surplus value' means the 'mass' which is in excess than the 'capital'.
* The 'rate of surplus value' means the relationship between the ratios of necessary labour and surplus labour.
* The formula to know surplus value is:
  'Commodity value' minus 'capital'.
* Symbol for surplus value is 's'. Symbol for wages is 'v'.
* The formula of the rate of surplus value :

$$\frac{\text{surplus value}}{\text{wages}} = \frac{s}{v}$$

* Symbol for the rate of surplus value is S^1.
  (This should be read as 'S-one').

$S^1 = \frac{s}{v} \times 100$. It is enough if we call it $\frac{s}{v}$

The rate of surplus value may be stated in two or three more ways.

(1) $\frac{\text{Surplus value}}{\text{variable capital}} = \frac{s}{v}$

(2) $\frac{\text{Surplus value}}{\text{value of labour-power}} = \frac{s}{v}$

(3) $\frac{\text{Unpaid value}}{\text{paid value}} = \frac{s}{v}$

(4) $\frac{\text{Surplus value}}{\text{Necessary labour}} = \frac{\text{Unpaid labour}}{\text{Paid labour}} = \frac{s}{v}$

The first 3 formulae show the relationship between those 2 parts through 'values'. The last one shows it through 'labour'. Whatever be the way in which it is stated, we are always looking at the relationship between the 2 portions of the 'working day'.

The rate of surplus value tells us only the proportions of necessary and surplus labour in a 'working day' but not the length of that 'working day'. That working day may be of 8 hours a day or 12 hours or 14 hours

or of any length. That detail does not appear in the rate of surplus value. Surplus value appears as 100% if the 2 portions of a working day are 5 hours: 5 hours. The rate of surplus value will appear as 100% only even if the 2 portions of a working day are 6 hours: 6 hours. Here, workers do in the second working day do one more hour of surplus labour relative to the first working day. If they work for 5 hours in the first working day, they work for 6 hours in the second working day.

The 'quantity of surplus value' changes according to the increase or a decrease in the number of workers, but the 'rate of surplus value' does not change. As the rate of surplus value expresses the length of each portion in a working day, it applies alike to all the workers (to the workers who perform the same kind of labour). If in a working day, necessary labour and surplus labour are 5 hours: 5 hours, it implies that each one of the labourers performed necessary labour for 5 hours and surplus labour for 5 hours. Whatever applies to one worker, the same will apply to 100 labourers as well. The greater the number of workers, the longer the quantity of surplus labour. The smaller the number of workers, smaller the quantity of surplus labour. However, changes do not occur in the 'rate of surplus value' owing to the number of workers.

The quantity of surplus value becoming greater or smaller depends upon certain conditions.

(1) The rate of surplus value being greater, (2) The rate of surplus value being smaller, (3) The number of workers being greater, (4) The number of workers being smaller. Of these 4 conditions, if one condition concerning the rate of surplus value and one condition concerning the number of workers occur together, then the result would depend upon the combination of the two. Those combinations may be like this:

1. Higher rate of surplus value + Greater number of workers.
2. Higher rate + Less number.
3. Lower rate + Less number.
4. Lower rate + More number.—and so on.

The quantity of surplus value that comes to the capitalist depends upon various combinations.

Let us suppose that a working day is of 6 hours+6 hours. If this is calculated as a rate, it will be 100%. How will the necessary and surplus portions change, if this working day is shortened by 1 hour? —If 1 hour is reduced in a working day of 12 hours, the working day will become 11

hours. Will, then, half an hour in the portion of necessary labour and half an hour in surplus labour be reduced? It is not so. It is not at all possible to reduce the portion of necessary labour. Workers cannot reproduce the value of wages unless they work for 6 hours. Therefore, even in a working day of 11 hours, the necessary portion will be only 6 hours. That reduced hour will be deducted from the portion of surplus portion only. Then the proportions of the working day will be 6 hours+5 hours. How much would it be if we see this as a rate?

If 6 hours of necessary labour gives — 5 hours of surplus labour,
100 hours of necessary labour gives — ?

$$\frac{5s}{6v} \times 100 = 83\%.$$

The rate of surplus value has decreased.

Let us now see the matter by lengthening the working day by 1 hour. That is, by making the 12-hour working day 13 hours. Even then the portion of necessary labour will be 6 hours only. The whole work that is done in excess will be surplus labour only. It becomes 7 hours. The proportions of the working day will be 6+7. What is the rate of surplus value now?

$\frac{7s}{6v} \times 100 = 117\%$. The rate has gone up.

When the working day is 6+6, the rate of surplus value is 100%.
„ 6+5, „ 83%.
„ 6+7 „ 117%.

In this way, the rate of surplus value changes, if the portions of the working day change.

If we know the rate of surplus value and the length of the working day, we will be able to find out the length of each portion in the working day.

Whenever we see particulars relating to the value of a commodity, we usually take some rate of surplus value as an example, like 50% or 100% irrespective of whether that commodity is sold or not. The rate of surplus has to be calculated after selling a commodity and after knowing as to how much surplus value would be obtained; isn't it? There arises a

doubt thus: "How can we calculate whether the rate of surplus value is 50% or 100% even before selling the commodity? It means that we take as first example whatever is obtained after selling the commodity.

The capitalist always keeps on selling that commodity. On the one side—he keeps on selling the finished product in the market and on the other side—he gets the new commodity produced in the work place. Therefore, the commodity in the work place is not yet sold, the capital spent on it, its value and the profit that comes — all will be known. Therefore, though the commodity is not yet sold, we take the surplus value and the rate of surplus value on some basis.

2) Rate of profit

There is no such thing as 'surplus value' in the capitalist's view. There is only 'profit'. That fellow terms as profit what he gets in excess of the capital that he advanced.

He calculates thus: 'how much is the profit for 100 capital? (What is the percentage of profit?) This itself is the rate of profit.

However, all the calculations of a capitalist would be very different from the actual calculations. Therefore, at every place, we have to understand things according to (1) correct conception and (2) capitalist's conception as well.

In the cloth example, capital spent for the cloth is 100. Constant 80. Variable 20. Surplus value 20.

With these details, we have to examine the rate of profit according to the correct conception and capitalist's conception as well.

According to the correct conception:

Which means, this is our understanding.

The relationship between the wages (20) and surplus value (20) is the rate of surplus value. This is 100%.

The relationship between the capital spent (100) and the surplus value (20) is the rate of profit. (Or percentage of profit).

As 20 is the profit for 100 capital, the rate of profit is 20%.

When we speak of 20 profit for 100 capital, it appears as if all the portions of the capital (entire capital) have given that profit. But, in fact, only the wages portion of the capital gave that 20 profit.

In this example, whether we say that the rate of surplus value is 100 or rate of profit is 20%, the sum total of the surplus value given by the workers is the same. The fact that appears with reference to the rate of surplus value (the fact that surplus labour has been done during the half of the working day) does not appear when we refer to the rate of profit.

According to the conception of the capitalist:

In the cloth example, according to the capitalist's understanding, the capital that has been spent is not 100. As the capitalist pays another 12 towards commercial commission, interest, land rent, taxes etc., all those things together constitute 'capital' spent. It is 112. The productive profit that remains with the capitalist at last is 8. Hence, the capitalist thinks "I got 8 profit on 112 capital. But, he won't think that he got '20 profit on 100'.

Therefore, according to the capitalist's understanding:

For 112 capital — 8 profit,

For 100 " — ?

$$\frac{8}{112} \times 100 = 7\%.$$

The profit rate that appears to the capitalist is 7%.

But, the actual rate of profit is 20%.

Though the rate of profit appears to the capitalist as 7%, the fact won't change because of that. That is, in this example, the fact that the workers gave 100% surplus value won't change.

While understanding the rate of profit, we have to clarify another point also. That is, there will be a lot of fixed capital in the work place. But, all that won't enter into the commodity. Will the capitalist calculate the rate of profit on the total capital? Or on the circulating capital?

Consider this example:

The total capital in a work place is 500. Of it, constant portion is 410 and variable portion is 90. In the constant portion, 200 are on the fixed means and 210 on the non-fixed means. The depreciated part in the fixed means is 20. Rate of surplus value is 100%. While these are the

details, what is the value of the commodity produced?

Value of the commodity = Non-fixed means 200+depreciated portion of the fixed means 20+wages 90+surplus value 90=400. Value of the commodity is 400. How much is the circulating capital in this? If surplus value of 90 is deducted from the commodity value of 400, the remaining 310 is the circulating capital. The capitalist gets 400 if the commodity made of 310 expenditure is sold. That is, 90 surplus value. Or 90 profit.

What is the rate of profit in this example? —Here there are 2 kinds of capital—500 is the total capital laid down in the work place and 310 is the circulating capital spent on the commodity. 90 profit has been secured from this commodity. Should the rate of profit be calculated on the basis of the 'total capital' or on the 'circulating capital'?

However we may look at it, the essence is the same. Because the quantity of profit that exists is the same. That is only 90. We have to calculate the rate of profit with that only.

When the rate of profit is seen with reference to the circulating capital:

If, for 410 capital — 90 profit,
for 100 „ — ?

$$\frac{90}{410} \times 100 = 22\%.$$

When the rate of profit is seen with reference to the total capital:

If for 500 total capital — 90 profit,
for 100 „ „ — ?

$$\frac{90}{500} \times 100 = 18\%.$$

What does this mean? If we see the rate of profit with reference to the circulating capital, it will be somewhat a lower rate.

If we see with reference to the total capital, it will be somewhat a higher rate.

If we see with reference to the total capital, it will be somewhat a

higher rate.

In this example, it implies that the capitalist sees the rate of profit as 22% with reference to the circulating capital and as 18% with reference to the total capital.

Whatever applies to a single capitalist applies to all the capitalists.

One fellow may calculate the rate of profit with reference to the circulating capital only. Another fellow may calculate it with reference to the total capital. However it may be seen, the essence is the same.

Generally, the capitalists calculate the profit on the total capital that exists in the work place. As the entire capital has to be in the work place in order to produce the commodity, the capitalists think that the profit coming through that commodity is related to that total capital (that the profit came through that total capital). Therefore, they calculate the rate of profit not on the circulating capital but on the total capital.

While the capitalist is getting the new commodity produced, the same type of commodity is being sold in the market. The profit keeps on coming through that. That rate of profit will be known. If there isn't any change in the expenditure of making that commodity, the capitalist, while fixing the value of that new commodity, would fix the value according to the usually obtained rate of profit. When this new commodity also goes to the market and gets sold, the whole of the spent capital comes back and brings the rate of profit added by the capitalist.

They see the rate of profit generally for 1 year or 6 months. If the annual rate of profit is 24%, the rate of profit for 6 months is 12%. The rate of profit for 1 month is 2%. The essence is the same however we view it.

If profit on 100 per month is 2%,

Rs. 2 will be the profit on 100 per month

Rs.12 ..... per 6 months.

Rs.24 ..... per 12 months.

If the rate of profit pertains to 1 month, all the expenses concerning the commodity will also pertain to 1 month only. 1 month's capital, 1 month's interest, 1 month's taxes—and so on. If the profit pertains to one year, all the expenses are related to one year only.

The words 'surplus value' and the 'rate of surplus value' clearly

express 'exploitation' and its degree. They project 'labour' as the main factor.

Profit and the rate of profit—these words conceal exploitation. They show as if the 'profit' comes through capital and that something, which is due from capital, has come. These words project 'capital' as the main factor.

Symbol for profit is..... p.

Symbol for the rate of profit is..... p^1.

Formula for the rate of profit : $\frac{\text{profit}}{\text{capital}} \times 100$; $\frac{p}{c} \times 100$.

$$P^1 = \frac{90p}{500c} \times 100 = 18\%.$$

Though all the capitalists in a branch of production get the same kind of commodity, all their rates of profit will not be at the same level. They differ slightly according to their specific conditions and rates of profit. But, those differences will not be too much. There will be an average condition among those differences too. Which means, there will be an average rate of profit in every branch.

Similarly, if we consider different branches, the rates of profits in all the branches won't be at the same level. With smaller differences, each branch will have its own rate of profit. But, there will be an average condition among those differences too. Which means, there exists an average rate of profit pertaining to all branches. —We will see these points in detail in the subsequent chapters.

Questions :

1. Of what portions is the working day composed? Why is it so?
2. What is meant by surplus value? What is meant by the rate of surplus value? Are both the same?
3. Consider this example: The rate of surplus value —100%. Necessary labour is 100, surplus labour is 100. Their relationship=100:100;1:1. Working day is of two portions:1+1=2. —Explain the following

rates of surplus value as per the above example: 300%, 700%, 25%, and 75%.

4. The rate of surplus value in a work place is 50%. The amount of capital as well as the number of workers has doubled relative what they were earlier. What then will be the rate of surplus value?
5. Wages are 150. The rate of surplus value is 50%. If wages are also paid for the period of surplus labour, how much more wages are yet to be paid?
6. What factors are necessary to know the rate of surplus value?
7. Value of the commodity is 115. The capitalist said that he has spent 65 to produce that commodity. He gave these following expenses: wages-10, interest-5, taxes-3, land rent-8, means of production-39. What is the rate of surplus value?
8. Wages are 30. Surplus value is 115. How much should be given if wages are to be paid also for surplus labour?
9. Wages are 900. Rate of surplus value is 75%. What is the quantity of surplus value?
10. Rate of surplus value is 300%. Working day is of 12 hours. What is the length of each of its portions?
11. Circulating capital is 300. Ratio of constant and variable is 100:200. Undepreciated means in the work place is 1400. Rate of surplus value is 400%. What is the rate of profit with reference to the total capital? What is the rate of profit with reference to the circulating capital?
12. Value of the commodity–circulating capital =?
    Value of the commodity–surplus value =?
    Surplus value + circulating capital =?
    Total capital-Circulating capital =?
13. $\frac{\text{Surplus value}}{\text{wages}}$ — What is this formula about?

    $\frac{\text{Surplus value}}{\text{capital}}$ — What is this formula about?

14. Write formulae for these 4 items— (1) Surplus value, (2) Rate of surplus value, (3) Profit, (4) Rate of profit.

15. Wages are 20. Surplus value is 20. What is the percentage of surplus value in the total value rendered by workers?

16. Wages are 30. Surplus value is 120. Working day is of 10 hours. What is the percentage of surplus value in the total value given by the workers? What is the length of each portion of the working day?

●

Chapter 6

Looking at the 'Value Portions' of the Commodity, in terms of the 'Portions of the Commodity'

1) Parts of the value of the commodity and parts of the body of the commodity

'Value' of 100 meters of cloth—120.

Portions of that 'value'=80 constant+20 variable+20 surplus value.

Can we distribute this 'cloth' as per these value portions?

How much cloth for 'constant'? How much for 'variable'? How much for the 'surplus value'?

We can do this very easily. We have seen this point in the chapter on 'profit'. We have to recall it once and see some more details here.

Value of 100 metres of cloth is Rs.120. 1 meter = Re.1.20ps.

For the portion of 80 constant	—	67 ms.
For the portion of 20 variable	—	16 ½ "
For the portion of 20 surplus value	—	16 ½ "
For 120	—	100

The division of the cloth can also be done in another way.

We have to see how many parts each of the factors that gave 'value' to the cloth constitutes and have to distribute the cloth accordingly.

Constant capital	:	Variable capital	:	Surplus value
80	:	20	:	20
4	:	1	:	1 = 6 parts.

4 portions of the cloth to the constant, 1 portion to variable and 1 portion to the surplus value. Even when seen like this, the same answers come.

If we see the 'constant' part in terms of 'money', it is 80 rupees. If we see as cloth, it is 67 m. Which means, if we go to the market with 80 money and purchase the cloth, we get 67 meters of cloth at the rate of Rs.1.20 per metre. Going to the market means going to the place where that cloth is available. With whatever capitalist it is available, going to him amounts to going to the market.

If we go to market with 20 wages, we get 16 $^1/_2$ m. of cloth.

The same is the case with 20 surplus value.

When the finished commodity is sold, the money due to it comes first into the hands of capitalist; only from there does it go as many portions.

Value of the 'means of production'	—	again to the means of production.
Value of 'wages'	—	again to wages,
'Surplus value'	—	again to the maintenance of 'capitalist class'.

The cloth capitalist purchases new means of production for the 'work place' with 80 out of the 'money' which he got by selling the cloth once.

Moreover, he purchases the means of subsistence required for his family with 8, which he got as 'productive profit'.

The commercial capitalist purchases with his 'commercial profit'.

Money-capitalist purchases with his 'interest'.

Land lord purchases with his 'land rent'.

This whole gang together uses '20 surplus value' for the family-needs.

These fellows do not give any labour in lieu of using all these products. They do not produce anything. Without producing anything, they consume the product.

But, the same is not the case with workers. They purchase the means of subsistence required for the family with 20 wages and use those products. They again get the 'power' to work. They will again come to the 'work place' the next day and start new labour. That is, using some products for their maintenance implies that they spend them on the one hand and produce new things on the other hand at the same time.

While the wages spent on workers are consumed in order to acquire 'labour power', the profit, the interest and the like which are coming to the capitalist-group are not meant for any labour power. If this group is to earn new products every day, it has to snatch new profit and new interest. That is, exploitation has to take place again the next day also. The process of exploitation has to go on daily.

Now, let us see other things.

Can we distribute the cloth, according to its 'use value' portion as we distribute the cloth according to the 'value' portions? Can we isolate some cloth for the use values provided by yarn, some cloth for the use value of loom, and some cloth for the use value of the building?

Because, use values, which the yarn, loom and weaving give will not be different. All of them together give the same use value.

We cannot isolate from the use value of the cloth thus: 'This is the use value added by the yarn, this is the use value added by the loom'. Therefore, we cannot isolate the use value of the cloth as separate parts. This use value given by all those comes into 'experience' only when the cloth is used.

However, it becomes possible to isolate it in the case of 'value' because value is an external aspect of the cloth. Cloth can be isolated for the sake of different factors in the same measure in which their values had come together to constitute the value of the cloth.

But, it is not possible to divide every kind of commodity according to the factors of its value. It is not possible to isolate and distribute commodities—which exist as a single whole like a house, a machine, a shirt or a chair—among the factors of their value.

The fact that we are considering the division of cloth among the factors of its value does not mean that as soon as the cloth is produced, capitalists and workers distribute it among themselves in the work place and take it home. The capitalist and the workers do not distribute among themselves then and there. But, the same thing happens in the society as a whole. If we imagine the entire commodity produced by all the capitalists in the society as a whole as a mass, all the capitalists and all the workers distribute that mass.

This fact will not be known properly if we see only one individual capitalist and the workers who work there. When we consider a single work place, the capitalist and the workers do not distribute among themselves the commodity that is produced in that work place. Therefore, the fact that capitalist and workers distribute the products produced by the workers does not appear in that work place. Moreover, there won't be a way to take new means of production and new means of subsistence if the commodity produced in a work place is not sold out. Therefore, when a single work place is seen, it so appears that there won't be a way of distributing products if there are no sales and purchases in society. In this way, if we see capital individually, the actual thing appears to have broken into pieces and those pieces appear as mutually unconnected things. Therefore, in order to understand the whole thing in a proper perspective, the entire society should be taken into consideration. **If all the capitalists and workers existing in society are seen together, it becomes clear that all of them are distributing the products of the workers and that sales and purchases are nothing but an unnatural way of distributing things.**

Let us take the entire society into consideration. Let us suppose that all the work places that exist individually and separately in society are now one single 'huge work place'. That huge work place is full of many a small work place in each of which a particular capitalist gets a particular commodity produced. The total products produced in all the work places constitute the annual quantity of products for that society. This 'quantity' should be imagined as ready by the year-end.

It should be imagined that there are things ranging from a pin to great mansions in this 'colossal quantity' which consists of various products. There are very many products in it: buses, trains, ships, machines, bridges, roads, grain, medicines, shoes, books and luxurious articles etc. Further, a number of facilities like medical facilities, education facilities,

travel facilities are there in it as commodities. The colossal quantity of products so full of articles, materials and facilities has been made ready by the year-end in society. It is the entire capitalist class, which got this, produced. It is the entire working class, which has produced this. This working class consists of workers performing mental labour, manual labor, skilled labour and unskilled labour. The workers and the capitalist share this quantity thus produced.

All those means of production that had been consumed in order to produce this quantity will be produced again and found in this quantity. All the means of subsistence that had been consumed by the labourers are also produced once again and are found in this quantity. Besides these 2 items, all the articles required for the use of capitalists are also produced and found in it. If all the products of the 1st and 2nd parts are taken away from this quantity of products which is thus ready, all that remains is the surplus production. While the capitalist class had been using the surplus products of the earlier quantity and by the time those products had been spent out, the present quantity had been made ready. The capitalist class will use the surplus products of this quantity for one more year. Thus, in a year's quantity, 3 parts are found together: (1) the part of means of production, (2) the part of the workers' means of subsistence and (3) the part of the means of subsistence (together with articles of luxury) necessary for the capitalist class.

Let us suppose that the value of a year's colossal quantity is 120. (It might be supposed as 120 crores). The constant spent on it is 80. Variable is 20. Surplus value is 20.

This quantity is not a uniform product as either cloth or sugar. There are lakhs of products in it. Despite the variety of products, the way in which it is distributed is however the same as seen in the example of cloth. This colossal quantity of various products too gets distributed among the factors of its value.

Out of this quantity of 120 value, new means of production of 80 value move out into the work places of capitalists. Means of subsistence of 20 value go to the homes of labourers and means of subsistence of another 20 value go to the houses of capitalists. It takes a year's time for this whole quantity to get distributed. A 'new quantity' gets produced in the course of that year. The means of production that were produced in the old quantity get consumed to produce this new quantity. The means of subsistence of the workers produced in the old quantity get consumed

during the period in which this new quantity is produced. The means of subsistence and articles of luxury produced for capitalists in the old quantity are consumed by the capitalist class while this new quantity is being produced. The new quantity will on the whole be ready by the time the 'old quantity' gets consumed.

'Spending of the old quantity'—what does it mean?

Auxiliary materials such as coal and oil will get fully consumed physically without being visible further. Similarly, the means of subsistence too get consumed. All the instruments of labour too become old and get consumed. But, raw materials change their shape and enter into the new quantity. Only when that quantity is used, the physical shapes of those raw materials get consumed. They will not get consumed until then. But, the moment they have changed from the shape of raw materials, they are as good as having been consumed. There won't be any yarn until new yarn is produced again. Therefore, even if the raw materials in the old quantity change their shapes and enter the new quantity and are still found visible, it only means that the whole of the old quantity has been consumed. Which means, the new quantity makes its appearance with the consumption of the old quantity.

The spending of a year's quantity of products among capitalists, the distribution between capitalist and workers takes place by means of lakhs and crores of individual sales that go on throughout the year. On the whole, the essence of this is that that quantity of products gets distributed into 3 parts (as constant, variable and surplus value).

Here, we are seeing the process of production and the process of distribution together. There are many more things in it that we have to understand. This is one of the troublesome chapters. We have to understand its contents very carefully and correctly.

We have to understand aspects of 'production' and 'distribution' from the perspective of 'use value' on the one hand and from the perspective of 'value' on the other hand.

What takes place in society is nothing but producing many kinds of objects and distributing them. These 2 things must take place in any society. Whatever be the society in which these things take place, they take place in such modes which are in accordance with the 'character' of that given society.

In capitalist society, the entire production takes place in the form of commodity production and its entire distribution takes place by means of 'trade' (by means of sales).

We assumed that the quantity of production produced in a year would be consumed in the following year. Fixed means like buses and trains are included in that quantity of products; isn't it? Will they be consumed in only one year's time once they started working? They will not be consumed like that. How to understand this? Let us suppose that 100 buses are necessary to ply daily in order to meet the requirements of transport in a society and that each bus lasts for 10 years. According to this calculation, 10 buses become old every year. The bus, which has been made in this year, will not become old by the coming year. But, a bus which was made 9 years ago functions this year also and gets completely worn out by the end of next year. If 10 buses are thus supposed to get worn out every year, 10 new buses should be made ready every year in lieu of the old. These new buses will keep on replacing the old ones. As 10 buses will again become old in the coming year, 10 new buses will have to be made in the coming year too in lieu of the old ones. It means that though the new ones continue working for 10 years, the number of buses that are made each year will all get consumed. Production of some new buses should take place every year. Similarly, some new trains, some new houses, some new buildings and some new machines. Thus, the production of 'fixed means' goes on every year according to the estimate of that society. All these fixed means constitute a part of a year's quantity of social production.

The raw materials and auxiliary materials are consumed as and when they are used. Therefore, they have to be produced every year as per total requirement. Cotton, yarn, coal, oil, paper, fish, food grains etc., come under this category. All these too form a part of quantity of year's production.

Cloth, shoes, books, rice, wheat, sugar, oil, medicines etc., which are ready for use are 'necessaries of life'. All these are also part of the quantity of year's production.

Certain kinds of products are made every day. Certain others once a week. Some, once a month. Some, once in a year. But, we are taking one year as a measurement. Therefore, we assume that production and its consumption take place only once in a year. But, in fact, things such as milk, eggs, vegetables, oil and coal are produced and consumed many a

time in a year. But, to make the example simple, we consider the entire 'milk' produced in a year's time as that year's 'production of milk'. The same holds good for all such products, which are produced every day.

Let us suppose that at the beginning of a year that there are certain products fully made, some half-made, and certain others which are growing in the form of plants on the earth. Their different stages of production of the previous year will have undergone change by the ending of that year and beginning of the second year. The cloth that is made ready goes into consumption. Again they keep on weaving new cloth. As yarn gets consumed in this work of weaving, yarn will be produced elsewhere. As cotton gets consumed, it will go on growing it elsewhere simultaneously. Take any single product, all stages relating to it go on side by side simultaneously. When the cotton crop goes for sale into the market, it will be a 'finished product' so far as that stage is concerned. When the capitalist, who gets the yarn produced, purchases cotton, it is the 'raw material' in his 'process of production'. Yarn is a 'finished commodity' when it is produced and brought to the market. The same yarn is raw material when it goes into the making of cloth. Cloth is a finished commodity after it is produced and brought to the market. That cloth is raw material when it is brought for making garments. While garments are made and move out, new cloth comes into that work place. New yarn comes into the work place where cloth is produced. New cotton comes into the work place where yarn is produced. Agricultural work goes on and cotton plants grow in the work place where cotton is produced.

Thus certain products which were there in the previous year will disappear totally by the beginning of the second year on account of consumption. Altogether new products that were not there in the previous year now make their appearance in the form of new crops.

Regarding production and distribution, we may take examples in any manner.

According to one example, we consume the production of one year in the next year. We do the same thing every year.

According to another example, we consume each year's production in the same year. We do the same thing every year.

According to the third example, we consume certain kinds of things in a year's production in the same year. We consume other kinds of things gradually in the subsequent years. We do the same thing every year.

Whatever be the example, essence of the examples is the same. The essence is 'production and distribution'.

Let us suppose that a certain amount of cotton crop had been grown at the beginning of a year. Suppose that whole cotton converted into cloth after few months. Suppose year is completed by then. In order to estimate the production of that year, it is only the value of the end product, namely, 'cloth', that comes into account. The value of cotton and the value of yarn do not come into account individually. The cotton and the yarn do not exist separately. As cotton had changed into yarn and yarn into the cloth, the value of all the things is present in the cloth. While that cloth is so, there may be some new yarn besides that cloth. Besides those two, there may be some new cotton. As those three things exist separately, each one of them will have its value separately.

Look at any one moment in a society, you will find some finished goods, some half-finished goods and some raw, unfinished goods. All the articles and substances occurring in different stages taken together constitute the total production of that moment.

A commodity that reaches the market goes either to the work place of the capitalist or to the house of that fellow or for his personal use or to the house of a worker.

Let us suppose that 100 metres of cloth has gone from the capitalist to the market. In lieu of it, some other commodities of the same value will leave the market. Which means, the new means of production required for another 100 metres cloth, the means of subsistence of the workers and the means of subsistence of the capitalists leave the market. But the fixed means required for this cloth change once in a few years. If the durability of a loom is supposed to be 5 years, the cloth capitalist keeps on taking from the quantity of products a new loom once in 5 years. As it is not necessary to change every year all the looms that are working in society, only those people whose looms are worn out that year take the new looms produced in that year. Others will take the looms of the coming year. Replacing the old fixed means with new ones takes place by this method.

Each capitalist fetches many kinds of commodities from a number of capitalists and consumes them to get 'only one' type of commodity produced. The commodity of one capitalist will be entirely yarn. One fellow's commodity will be entirely cloth. The entire commodity of one fellow will be machines. The entire commodity of one fellow will be

grain. The entire commodity of one fellow will be transport facility and so on.

If the same is seen from the workers' side, each worker works for the production of only one type of commodity. Weaving workers do not perform any work other than that of producing cloth. Agricultural workers perform the work of producing grains, mining labourers perform the work of extracting coal and so on. A certain number of workers thus produce only one type of commodity each. But, if we see the society as a whole we will find that all of commodities are being produced in society. Included in this whole production are products that are used as 'means of production'; 'means of subsistence of workers' and the 'means of subsistence of capitalists'.

The fact that the entire commodity of a capitalist goes out and that the commodities of other capitalists come into the hands of this capitalist in return of his commodities implies that a certain use value is going out from this side and certain other types of use values are coming in from many places. But, this whole thing appears in a different manner outwardly.

Every capitalist buying commodities of other capitalists for his 'work place' and selling his commodity; paying wages to his workers and those workers buying the means of subsistence from capitalists; capitalists also buying the articles of their personal use from the other capitalists with their personal incomes—this whole affair consisting of these stages is a big drama of lies! Even if buying and selling take place every day many a crore times in society from whichever side to whichever side, the real thing that takes places through all of them is nothing but that various kinds of products which the labourers produce at different work places get distributed between workers and capitalists. Which means, a certain part of the 'total quantity' of production is going to workers and a certain other part to capitalists. This fact will not be clear if the production of each single capitalist is seen individually. It will be clear only when the whole production in the entire society is seen.

What goes on in the society daily is nothing but distributing the produced commodity among various factors of its value. It is not, however, distributing whichever commodity that is produced in a work place but giving it away and getting in return some other commodity. The capitalist gets and uses 2 types of products, one for his own consumption and another for the production of his commodity. Whereas

the workers use only those products which are meant for their personal consumption.

2) Value of 'production' and production of 'value'

These are the issues which the bourgeois economists could not understand at all. We can easily understand these things with the issues that we have seen in the earlier chapters.

We can offer an answer to the following question easily if we understand correctly what we have so far seen.

Is the value of a commodity produced in the same 'process of production' in which the 'commodity' is produced?

Let us take the production process of weaving cloth. The 100 metres of cloth that has come out of that process of production acquired 120 value. Has this 120 value been produced in the production process in which that cloth has been produced? No. In this production process, wages 20+surplus value20=40 value only has been produced. But, the 80 more value contained in the cloth belongs to its means of production. The means of production necessary for making the cloth ought to have been made ready earlier. It becomes possible to weave the cloth only if they had been ready and by adding some 'living labour' to them. Which means, the 80 value was there even before making the cloth. It was already produced in the earlier processes of production. The 80 value has been simply 'transferred' to the cloth. Therefore, the entire value of a commodity is not produced in the same process of production in which commodity is produced.

A year's quantity of products acquires value in the same way in which an individual commodity acquires its own value. Which means, whatever value the 'quantity of production' produced in a year has, the whole of that value is not formed in that year itself. Out of it, the whole of the 'value of the means of production' gets transferred to this year's production from the previous year. To the value of the means of production so transferred, the current year's 'living labour' is also added and the whole of it constitutes 'total value' of the current year's production.

We should understand correctly the 'value of the production' and 'production of value', which capitalist economists did not understand.

Value of the 'production'—means the total value that the 'production' has.

Production of 'value'—means 'value being produced. That is 'newly produced value'.

The value of a year's production means the total value of what has been produced in the course of one year. We supposed it to be 120. In it, there are 80 fixed+20 variable=20 surplus value.

The production of year's value means the amount of 'value' that has been produced in that year. That is 20 variable+20 surplus value only. Only this 40 is the value that has been produced in the course of the current year.

But, the total value of the cloth is 120, while the value produced during the current year is 40 only.

Here, we have to briefly see factors of value relation to 'means of production' and 'means of subsistence' found in a year's production.

Swords, rifles, war equipment, warplanes, warships and such other weaponry do not come either under 'means of production' or under the 'necessaries of life'! But all the weaponry should be included in the 'necessaries of life' since this is an exploitative mode of production.

Now, we have to divide a year's production into 2 parts. (1) 'Means of production', and (2) 'necessaries of life'. These two kinds should be produced every year. In order to produce them, means of production and means of subsistence of workers are required. These should be supposed to have been produced in the previous year. Consuming all these products of the previous year, new means of production and new means of subsistence (for the sustenance of workers as well as capitalists) have to be produced. All these will be consumed in the coming year.

Let us suppose that the 'circulating capital' required for the year's production is 300 which includes 240 fixed and 60 variable. That is, the means of production consumed by all the capitalists are 240. The wages, which all capitalists pay, are 60. If the rate of surplus value is supposed to be 100%, the surplus value that all the capitalists get is 60. The value of the total production of a year=240 constant+60 variable+60 surplus value=360. In the current production, which has a value of 360, the value of 240 is not something produced now. It came from the previous year.

The proportions of constant, variable and surplus value in the total of 360 value are 240:60:60=4:1:1. It means that out of the total value of

the production that is ready, 4 parts belong to constant, 1 part to variable and 1 part to surplus value.

It means that here, there are certain means of production and certain necessaries of life in the 'quantity of products' having a value of 360.

Value of the means of production produced = 240.
Value of the necessaries of life produced = 120.

Let us suppose that certain capitalists produce means of production only while certain others produce necessaries of life only. The values of these 2 items should be seen separately.

(1) Means of production in a year's 'quantity'. Their value is=240. This value too should be composed of constant, variable and surplus value. Which means, in order to produce these means of production of 240 value, there should be some constant and some variable. We supposed that the proportions of the value of the total production in a year as 4:1:1; isn't it? We suppose the same proportions here too.

If the proportions of the means of production of 240 value are supposed to be 4:1:1, that value will be as 160 constant, 40 variable and 40 surplus value. These 'means of production' have been produced in the current year afresh. But, by the time their production began, 160 constant and 40 variable should have been produced already. While using them, workers produce these means of production. By the time that these means of production are produced, the 160 value gets transferred to the new production. Workers consume 40 variable and produce it again. Along with it, they produce another 40 value in excess. By that time, the new means of production will be produced. Their total value will be 160+40+40=240. Of this 240, 200 value is the old value. But the 40 value is new. This 40 value is the surplus value gained by all the capitalists who got these 'means of production' produced. These means of production are not those means of production which function as means of production in the same year in which they are produced. They are newly produced commodities (C^1) only. They function as means of production only later.

(2) Necessaries of life in the year's quantity. Their value is 120. This value should be as constant, variable and surplus values. We take their proportions too as 4:1:1. If this 120 value is divided accordingly, it will be as 80 constant: 20 variable: 20 surplus value. Of this value, constant and variable values are those of the previous year. Consuming those values, workers produced these new necessaries of life. In that process,

'80 constant value' got transferred to these necessaries of life. Workers used up 20 variable and produced that value again. Along with it, they produced another 20 value in excess. By that time, the necessaries of life were produced and their value was formed as 80+20+20=120. 100 out of this 120 value is old. 20 value is totally new. This 20 is the surplus value gained by all the capitalists who get the necessaries of life produced.

The means of production of 240 value in the new quantity of production are put to use as a new means of production by all capitalists in their work places in the following year. Workers and capitalists in the society together consume the necessaries of life with 120 value throughout a year.

Of these necessaries of life with 120 value, how much do the workers use and how much do the capitalists use? The total income of the workers is 60. Of that, the wages of workers who produce means of production are 40 and the wages of workers who produce the necessaries of life are 20. The total income of the working class is 60. Therefore, of the 120 value of the necessaries of life, workers consume a portion of 60 value.

The income of the capitalists too is 60. The surplus value gained from the means of production is 40 and the surplus value gained from the necessaries of life is 20. The total income of the capitalist class is 60. Thus, of the 120 value of the necessaries of life, capitalists consume 60 value.

It means that the working class and capitalist class consume the entire portion of the necessaries of life in a year's production. They consume the portion of the 'means of production' as such for the sake of next year's production. Briefly, this is the real thing that is happening in the society.

The value of the means of production and the value of the necessaries of life in a year's production may be seen together as follows.

		C	+ V	+ S
1) Value of the means of production ...	240=	160	+ 40	+ 40
2) Value of the necessaries of life	120=	80	+ 20	+ 20
Value of the total production.....	360=	240	+ 60	+ 60
Value of a year's production	360=	240 c	+ 60 c	+ 60 s
Production of a year's value.....	120=	**0** c	+ 60 v	+ 60 s

The value of a year's production in this example is 360, isn't it? 300 out of this value is that of the previous year only. Where did the previous year get it from? From the year still previous to that. How did that year get it? From the year yet previous to it! It goes on like this. What is to be understood by that so far seen is:

There are 3 factors of constant, variable and surplus values in the 'value of a year's product', just as they are present in the value of an 'individual commodity'. But the bourgeois economists do not know these important things at all. According to Smith's understanding, the value of the means of production, the value of wages and the value of profit are included in the value of an individual commodity, but value of a year's production does not include the value of the means of production separately. All of it enters into the wages and profit. If we consider our own example, the value of a year's product will be 120 even according to Smith. But it will be as a value of only 2 items but not of 3 items. Which means, here wages and profit are found but not the value of means of production.

This economist holds such a conception as this because he does not possess a correct and clear understanding of the living and non-living nature of labour.

When we speak of 'a year's production', it includes the totality of the products of all the branches. All those products are produced anew. All the products, which are being consumed in one work place, are being produced anew at some other work places.

Let us suppose that while a loom is being consumed as a means of production at a work place called 'A', a new loom is being produced at another work place called 'B'. At both these work places, the means of production—whatever are necessary there—will be consumed. Their values get transferred to the new production. 'Transfer of dead labour' takes place at every work place. The value of a loom, which is consumed as a means of production at the work place 'A', gets transferred as 'c' to the cloth that will be produced anew. At the same time, the portions of 'v+s' in the value of loom that is being produced at the work place 'B' will be produced anew. However, here too, there will be some value, which gets transferred as 'c'. When none of these things is known clearly, this appears as follows: As the 'quantities of a year's products' include all those products, which are produced afresh, the entire value of those products will appear as something that is produced afresh. This wrong

understanding will continue further thus: 'The value to be produced afresh' will be in the form of wages and profit only. As the entire value of the quantity of a year is new, it would consist of two portions only. It will not contain any old value. Which means, the value of means of production need not be added separately while 'the quantity of a year' is considered— This is how it goes on! All this constitutes a vague and confusing understanding. The explanations by the bourgeois capitalists thus are erroneous because of their lack of proper understanding of such issues as 'means of production, transfer and reproduction of value and the living and non-living nature of 'labour'.

Again coming to the 'production process' of a year: the means of production and the necessaries of life that are produced in a year will be available to the next year. There, new living labour will be performed. New 'quantity of production' will be produced. In this process, the old quantity of product gets consumed.

The way in which a year's means of production and necessaries of life are passed on to the succeeding year may be seen as follows.

If we take 4 years' time serially, the relations between those years will be like this.

The previous year's means of production+New year's living labour = New year's quantity of production.

1st year's means of production+2nd year's living labour=2nd year's quantity of products.

2nd year's means of production+3rd year's living labour=3rd year's quantity of products.

3rd year's means of production+4th year's living labour=4th year's quantity of products.

4th year's means of production+5th year's living labour=5th year's quantity of product.

Forming of relationship between means of production and living labour means forming of relationship between the 'past' and the 'present'. Products of the previous year contain the material supplied by nature and human labour as well. When various kinds of living labour are added to these various types of products, certain old products perish totally due to consumption while hitherto non-existing new products come into existence. On the one hand, old grain is spent and on the other hand new

grain emerges. Old cloth is consumed and new cloth is produced. In this way, relations of 'materials' and relations of 'labour' from one year to another year are thus intertwined and they flow like a stream from the past into the present and from the present into the future.

There will be no confusion at all in understanding matters pertaining to 'production' and 'distribution' directly in terms of 'products' rather than in terms of 'money'. Take any year, we can thus easily understand that the two processes take place intertwiningly. In the course of that year new materials are produced in accordance with the estimates of society and side by side old materials are consumed. Every thing becomes confusing only when we have to see the matters in terms of 'money' instead of in terms of 'products'.

It is not possible to distribute the commodity produced at the work place of a capitalist immediately among the portions of constant, variable and surplus value in the shape of the commodity itself. Therefore, this distribution has to take place only in the shape of money. This means, the commodity has to first be changed into 'money'. The entire commodity has to be sold if the entire invested capital should come back together with 'profit'.

If only 50 metres out of 100 metres of cloth is sold, it amounts to the return of some portion of the invested capital. It amounts to the return of the constant portion only if 67 metres are sold. If another 16 $^1/_2$ metres are sold, it amounts to the return of variable portion. Finally, if 16 $^1/_2$ metres of cloth is also sold, it amounts to the return of surplus value that has to come from the capital.

Can the capitalist, as soon as the first 16 $^1/_2$ metres of cloth is sold (as soon as 20 money has come), think thus: "I have got profit!' First, the entire invested capital has to come back. Only later, profit will come. The entire capital comes back without any problem and profit too will come without any problem only when the entire commodity is sold.

It is the capitalist's own way of distributing the produced commodity to the components of its value and to see what each component got. The intention of the capitalist economist in apportioning a commodity among its value components is to tell that, besides means of production and wages, 'profit' too is responsible for the production of the commodity; the intention is to show as if profit too is entitled, like all others, to take some part in the commodity; and that the 'distribution' of the commodity has been done most justly and each of the components got its due from the

produced commodity! Whatever may be the motive of the capitalists in distributing the value of a commodity among its components, it is very good even according to us, to view the production by distributing in that manner. Once we understand 'surplus value', the matter becomes very clear to us by seeing 'surplus value' in the form of 'surplus product' as well. Only when we see the 'surplus production' we will be able to see as to how much of production to be used by the working class is not reaching that class. This division becomes very necessary for us in order to understand a number of facts, which cannot be understood by means of capitalist economics, and to resolve a number of problems.

Questions :

1. What do the constituent parts of a year's quantity of products consist of?
2. In which part of a year's quantity of products are the necessaries of life required by the capitalist class found?
3. The value of a quantity is 840. The proportions of its constant, variable and surplus values are 4:3:3. How much value of the quantity does each part get?
4. Cloth, food, shirt, book—when do they function as raw materials?
5. Mention a few finished commodities.
6. Means of production + living labor =?
7. What is meant by the value of production? What is meant by the production of value?
8. Work out this sum compulsorily.

   The value of year's quantity of production is 1800. The ratios of its constant, variable and surplus values are 4:1:1. If a year's quantity of production is divided into the portion of means of production and the portion of necessaries of life, what is the value of each portion? Divide again the portion of the means of production into constant, variable and surplus values (in the same proportions that the total quantity is composed of). Do the same thing with the portion of the necessaries of life as well.

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Chapter 7

The Working Day

'Working day' refers to the time that lies between the commencement and stoppage of work by workers. In other words, working day is the time that lies between the time at which workers arrive at the work place and the time at which they leave the work place.

'Working day' consists of 2 parts: (1) the time during which necessary labour is performed, and (2) the time during which 'surplus labour' is performed.

As the workers have to first reproduce the 'value of wages' the working day begins with the 'necessary labour'. When enough labour, which is equivalent to the value of wages, is performed, the entire labour done subsequent to it is 'surplus labour'. Necessary labour time + surplus labour time = a 'working day'.

Here, we see working days with three different lengths.

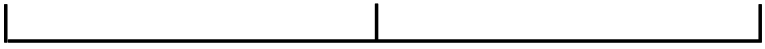
1)

Necessary labour time 6 hours | Surplus labour time 2 hours

2)

Necessary labour time 6 hours | Surplus labour time 3 hours

3)



Necessary labour time 6 hours | Surplus labour time 6 hours

These 3 working days are of different lengths. But the necessary labour time in all the three is the same. Only the surplus labour time has changed. That is, take a working day of any length, it is the surplus time that remains after deducting necessary time. There is a definite limit to necessary labour time because the value of wages has to be reproduced (labour equivalent to that value has to be done). Due to this reason there

will be a definite limit for the necessary time. But there won't be such a limit to the surplus labour done subsequently. How much of surplus labour time should be there? 1 hour? 2 hours? 5 hours? How much?

The second part can be of any length. If necessary labor time is supposed to be 6 hours and if surplus labour is performed for 2 hours, then the working day will be of 8 hours. Or, the working day will be of 9 hours if surplus labour is performed for 3 hours. Or, the working day will be of 9 hours if surplus labour is performed for 3 hours. Or, if surplus labour is performed for 6 hours, the working day will be 12 hours. Which means, the length of the working day depends upon the surplus labour time.

As the second portion of the 'working day' is not fixed, the working day too is not fixed. The capitalist will be very glad if the surplus labour time is very long. But, a limit is inevitable to the portion of surplus labour however much that fellow likes it. It is because **a day has only 24 hours much to the 'ill-luck' of the capitalist.** The working day is obliged to confine to those 24 hours only. Were the earth to take 34 hours or 44 hours instead of the usual 24 to revolve round itself, the capitalist would have felt good and he would have got 10 hours or 20 hours more every day in order to exploit the workers. But the earth, as its 'waist' is not very fat, is taking only 24 hours to create a day by revolving around itself. Perhaps it does not like to work more hours in a day!

Since a day has 24 hours, the capitalist would like to make his workers labour for full 24 hours, paying them wages for only 2 hours or 3 hours. But the worker's body does not agree to it because it is a 'living' thing and it requires some amount of time—however little that time may be— to eat, to rest and to sleep. It is therefore not possible to make the labourer work all the 24 hours. Owing to these physical limits of the 'labour power', there occurs an obligatory limit to the working day.

The history of labour saw several kinds of working days so far. Once there used to be an 18-hour working day. Several laws came into being in Europe from the mid-14th century to the late-17th century, lengthening the 'working day' further. All those laws began to change again and the working day was shortened gradually. The 18-hour working day has been gradually shortened and now it has become an 8-hour working day. History has seen all sorts of working days of 16,14,12,10 hours in the intervening period between the 18-hour working day and the 8-hour working day.

The length of the working day does not increase or decrease on its own accord. If the capitalist seeks to lengthen it, workers seek to shorten it. The length of the working day depends upon the experiences from various kinds of conditions, especially the strength or weakness of the 'struggles' between the capitalist class and the working class. The 8 hour working day is nothing but the result of the centuries long struggles by the working class.

Even though the one time 18-hour working day has now changed into the 8-hour working day, working days longer than 8 hours are still in practice at several places. No capitalist follows the regulations of the government laws. Since the government itself is a capitalist, it makes laws only for an outward show but does not compel the capitalists to observe them. Whenever the fighting capacity of the workers diminishes, the working day extends its body.

Once upon a time there was a legislation in England that even the 8-year old children had to work for 8 hours a day. Younger people aged between 12 and 18 had to work for 12 hours a day! The adults had to work for 15 hours, beginning at 5'o clock early in the morning till 8'o clock in the night.

When the government made a law in Britain in 1848 prohibiting children from working for more than 10 hours, oil mill owners saw that the labourers petitioned to the government thus: "We, the petitioners, in our capacity as parents submit to the government that our children will wander like idlers and get spoilt if they find leisure. Hence, we request the government to lengthen the 10 hour working day further, see that our children always remain in the work and will not get spoilt". Capitalists write out the petitions and ask the workers to affix their signatures. The workers would sign out of fear of losing jobs. That is the secret of those petitions.

If children working for 10 hours a day were to be considered as 'idlers' how should the children of the capitalists, who do not work even for a single minute in a day be considered? **If children who worked for 10 hours get spoilt if they do not have work in the 11th hour, how many times more would the children of the capitalists get spoilt! And above all, how many times more their dads and moms have already gotten spoilt!**

1) Shift system

The bodies of workers do not lend themselves to work all the 24 hours. But all the means of production such as machines, buildings etc., agree to that; isn't it? It sounds like 'foolishness' to the capitalist to use them only during daytime and to keep them idle at nights. If they could be used both day and night, the capital invested on them could return in a short time. Moreover, if they are utilised during nights also, commodities will be produced and surplus value will be produced even at nights. But the same set of workers cannot work day and night. Therefore, as soon as one set of workers go out of the work, another set of workers enter into the work and can continue the work without keeping the means of production idle. The capitalists newly found out this 'shift' system.

The number of workers in the night shift should be the same as those of the day shift. Every worker should have to work for some period in the day shift and for some period in the night shift. The working day will be 8 hours in those work places where there are 3 shifts.

If 20 workers are necessary to work in one shift, 60 workers are necessary to work in 3 shifts. But, the capitalist does not employ 60 workers in all and allot 20 to each shift. It is more 'profitable' for a capitalist to employ a total of 45 or 50 workers only and to make some of them work in the second shift as well.

Many workers have to work continuously in two shifts in a month for several times. Though a worker who works in 2 shifts receives 2 wages for the 2 shifts, the question here is not with regard to the 'wage'. The real question here is the fact that a human body is compelled to work for 16 hours continuously.

This shift system is specific to the capitalist mode of production only. This was not there in the past societies. The capitalist mode is one that produces commodities every minute in a day.

Under this shift system, workers fall into a more unnatural way of life than earlier. As each worker has to work in all the 3 shifts, he will be deprived in his daily life of 'mornings' on some days, 'evenings' on some other days and 'nights' on yet other days. During the days of the first days of the first shift, the worker, instead of getting up from the bed in a relaxed manner, gets up with tension and in a hurried manner and does his own things in a disorderly manner and be present by daybreak at the work place. During the period of attending the second shift, he has to

start from home midday and has to come back home at midnight. During the period of night shifts, he has to leave at night and come back home with sleepless eyes at a time when one is supposed to get up from the bed in a relaxed manner.

If a human being is supposed to need eight hours of sleep a day, the night shift worker has to be in sleep during the entire daytime. **The night shift workers will have to work at night and sleep during the day.** Workers know how impossible it is to get sleep in their cramped single-room dwellings.

There isn't any scope for workers engaged in the labour of shift system to form, any habit in a proper manner. It is not possible to attend to things like responding to nature calls, doing household chores, looking after the children, bathing, dining and sleeping, relaxing etc., with any discipline and natural habits. The habits acquired when working in one shift are not relevant while working in other shifts.

Women too will have night shifts in certain kinds of work.

In these families where both wife and husband work, there will be several occasions on which both of them have to attend night shifts.

Even if there is no shift system for woman-workers, her life also falls in line with the shift system of the male because the man works in the shift system. A male person cannot discharge the duty of upbringing of children. Therefore, it becomes the responsibility of the woman to discharge alone. The shift system thus upsets everything in the workers' lives.

While the capitalist sleeps blissfully every night, workers keep on working every night by turns. If capitalist happens to be a transport capitalist, his workers operate buses and lorries throughout the night while he sleeps. Workers of the cloth capitalist go on weaving cloth the whole night. Workers of the shoe capitalist go on making shoes the whole night. Workers of the newspaper capitalist go on doing printing or some other thing the whole night. Thus, unlike the workers who perform labour in 3 kinds of shifts, the capitalists do not have any such shifts. They do not have any work at all. They are blessed with warm mornings, cool evenings and sweet nights. They never need to run anywhere in a great bustle. **They enjoy leisure in the morning, leisure at noon and leisure in the evening and leisure at night.** Leisure throughout the whole day. The commodities go on being produced every minute in the work place of the

capitalists even though they enjoy leisure. The surplus value contained in the commodities goes on reaching their treasury. Between the time when a capitalist wakes up in the morning and before he goes to the bed at night, new commodities are produced and with the surplus value in them, he will have become richer than he was before he woke up. Similarly, after he goes to bed in the night and gets up again in the morning, new commodities are produced again and due to the surplus value contained in them, he becomes even richer. In this way, let it be day or night, let the capitalist stand up or sit down or lie down or do any thing or not do any thing, he becomes richer with each passing minute.

One who labours does not get 'money' every minute. A body that performs 'labour' for some time every day desires 'rest' for some time. That person does not get 'money' for that rest period. **But no natural obstacles stand in the way of the stream of wealth for the fellow who exploits the labour of others since the money he gets is no way related to his own body**. That stream will not have any 'rest'. 'Stream of money' goes on flowing every moment into the capitalist's treasury from out of the flesh and blood of workers. It is, in fact, the flowing of the workers' comfort and peace, their flesh and blood, their limbs and lives into the capitalist's treasury. However, all of them convert into money and flow as a stream.

Is it necessary for the society that work should be done only by way of the shift system? What is the purpose for which the shift system has been formed?

Let us consider all the work places where cloth is produced as a single work place. Let us suppose that 60 workers work in 3 shifts, producing 300 meters of cloth in a day and that cloth gets sold every day. Which means, the society needs 300 meters of cloth every day. In order to satisfy that need, 60 workers will have to work everyday according to the existing level of productivity. If we assume that there are 3 shifts in that 'work place', there will be 20 workers in each shift. Every worker works for 8 months a day.

Let us suppose that there is no 3-shift system now. There will be one day shift only for all the workers from morning 8 to evening 4(8 hours). Let us suppose that all the 60 workers produce 300 meters of cloth by working in that one shift only. Even when it happens in this way, the same amount of cloth, which is needed by the society, gets produced. All the jobs that the number of workers get in all the 3 shifts

taken together will continue as before in a single shift itself. All people work during the daytime only. That is the only difference here. Owing to this, there will be no reduction, by this means, either in the production or in the jobs.

But why does the capitalist make the workers work only by means of the shift system? In what respect does he gain profit thereby? Let us see the points successively.

There won't be any difference in the 'wages' paid to the workers whether all of them work together in 3 shifts or in a single shift only. Wages of the same amount are consumed in both the systems.

Also, there won't be any difference in relation to the 'raw materials' and 'auxiliary materials' whether the work to be done in 3 shifts or in one shift only. They are consumed alike in both the systems.

There won't be any difference even in relation to the consumption of 'fixed means'. Let us suppose that fixed means will be consumed even when the entire work is carried on in one shift only. There won't be any excess of consumption in that regard. But the capitalist faces certain 'problems' in this regard.

Let us see this point firstly by means of a small example. There are three persons in a house. The way they use bathing soaps may be of 2 kinds. The first kind is: each person will have his own soap separately. Each person consumes one soap per month. Which means, three people consume 3 soaps in a month. All the 3 soaps have to be purchased in the beginning of the month only. New soaps need not be purchased in the middle of the month. But, there should be 3 separate places to keep 3 soaps.

Another way of using soaps: All the three people together use the same soap. 1 soap lasts for 10 days. 3 soaps are consumed per month. But, all the 3 soaps need not be purchased in the beginning of the month itself. It is enough if one soap is purchased initially. The second soap can be purchased after 10 days. Moreover, here there is no need of 3 places to keep 3 soaps. Only one place is enough.

The expenditure of soaps in these 2 ways will be the same. Whatever be the way, 3 soaps are required per month. But, one place is enough in the second way while 3 places are necessary to keep the soaps in the first way.—We have to understand the question of 'fixed means' in the same manner as shown in this example.

What is the difference between the way in which work is carried on in 3 separate shifts and the way in which entire work is carried on in a single shift only? There won't be any difference in any aspect. There will be a difference only with regard to the place of work.

Let us see, through 2 examples, the manner in which fixed means are consumed.

The first example: A shift lasts 8 hours. The number of workers required is 20. The fixed means will be ready in a work place. A value of 200 from the fixed means will be consumed by the time a shift is completed. 3 shifts take place one after the other in a day. The total number of workers who work in all the 3 shifts taken together is 60. Let us suppose that the fixed means in a work place last for one whole year at the rate of 3 shifts per day. It means that new fixed means have to be brought into the work place once a year.

The second example: All the workers of 3 shifts together do the work at the same time (during the daytime) in 3 batches. To do so, the place of work should be twice as large as it is. For 3 batches to carry on the work simultaneously, fixed means should be available in 3 places separately. Only 600 fixed means will be consumed per day in all the 3 places taken together. All the workers leave for their houses after doing work for 8 hours. There won't be any 2nd shift or 3rd shift. The workers will not come again to the work until the next day. Until then, that is for 16 hours, the fixed means will lie unused. If it is used in this manner, it takes 3 years for the fixed means to wear out. Until then new fixed means need not be purchased again. That is, the wear and tear of the fixed means will be identical in both the examples. In the first example, new fixed means need be purchased every year. They have to be purchased 3 times in 3 years. In the second example, 3 sets of fixed means need to be purchased in the beginning itself. But, they need not be replaced until 3 years. Thus, the wear and tear of fixed means will not be the same in these 2 examples. There won't be any difference in it. However, in the 2nd example, if 3 sets of fixed means have to be purchased at a time, that whole capital should be invested at a time. Further, in this example, a larger work place is required.

What is the benefit for the capitalist due to the shift system? The fixed means will lie used for some hours together in a system where all the workers work only during the daytime. If the fixed means lie idle, it

is not possible to consume them quickly. This becomes a 'big problem' for the capitalist.

The capitalist world is a world of 'competition'! (We will see this point at another place in this chapter itself). The capitalists who get the means of labour produced and sold, compete among themselves and make much better ones. Owing to this competition, the means of labor will go on changing rapidly.

One kind of loom is available with one cloth capitalist. It lasts for five years. But, by the time 2 years have passed since it began to function, let us suppose that another capitalist in the same branch began to use a still better loom. Let us suppose that more work is being done on it. Our cloth capitalist, on seeing it, hopes to get more work done under him also. But, he has to wait for another 3 years to replace that loom. He cannot neither replace his loom nor carry on with it. It becomes a problem for him. That is why the capitalists always follow the method of exhausting the 'means of labour' very quickly. That is, they follow the shift system.

Every capitalist feels anxious in such a competitive world to exhaust his fixed means very quickly.

As the capitalist has to increase the fixed means in order to carry on the work of 3 shirts in one shift only, he will have to invest more capital on the fixed means. The problem for the capitalist is that he is compelled to invest more capital for the sake of the work that can be carried on even with less capital. Whether the work is done in 3 shifts or in a single shift, 'production' yielded through it is the same. The surplus value coming through it will also be the same. Why should more capital be invested for the sake of a 'surplus value' that can be secured even with 200 capital? And why should the invested capital be kept idle during nights, instead of recovering it very quickly? What is the difficulty for the workers even if they work at nights? —These are the questions of the capitalist.

The capitalist will come to know of the difficulty of the workers when he too begins to do 'labour' and works in 3 shifts; won't he? He would start thinking thus: "Does this society require night work?' if the capitalist too was obliged to work in night shifts for one third part of his 'life'. He does not think about something, which is unnecessary for him, since he does not need it now. The problem of the worker is not the problem of the capitalist. **The suffering of the worker is not the suffering of the capitalist. That is why the thinking of the worker is not the thinking of the capitalist.** The capitalist cannot just imagine keeping the

fixed means idle at nights. The only way to recover the 'capital' very quickly is to put the fixed means to use day and night. As it is not possible with a single team of workers, 3 batches and night work have become necessary. **This is the whole secret of the shift system.** Since the capitalist gets products produced in 3 shifts as much as he can sell in a day, it is enough to keep in the work place as much of fixed means as are necessary for one shift. Which means, his capital remains at a low level. He revolves his problem in this way only. This solution of the capitalist creates problem for the workers. Workers will have to lead a life of the shift system for the sake of recovering the capital very quickly.

The capitalist will introduce 4 shifts in the place of 3 shifts, if workers could make a 6-hour working day. It means that **it is beyond imagination that there will be a change in the shift system as long as the capitalist mode of production continues.** The shift system will not change even if the working day is shortened.

As the capitalist can manage to get profits from the shift system by carrying on the process of production with less capital only. This is the 'economic gain' for the capitalist.

Workers of a work-place are split into three batches due to the shift system. They face some difficulty in waging a 'collective battle' against the capitalist, while fighting on their problems. This is a 'political' gain for the capitalist.

There is always a disorderly life for the workers due to the shift system. The workers are preoccupied with work irrespective of day and night with constant anxiety and irregular habits, physical and mental ailments.

Seen from any number of angles, **night work is meant only to serve the interests of the capitalists, but it no way constitutes a natural requirement for the production process.**

'Night' is the time that is naturally essential to human beings for the sake of rest and sleep. Certain species of insects, birds, animals, move about only in nighttime. It is not a natural property/behaviour of the human beings. **Work during daytime and sleep at the nighttime alone are natural for human beings.** The shift system and the attendant night work are highly objectionable if men and women have to spend their family life leisurely and without worry and if they have to discharge with equal responsibility their duties of bringing up children and caring for the aged

parents. **Whatever amount of production that society may require, that can be obtained by means of daytime work only. Society need not spend its nighttime too for production.** Society existed in the past without 'night work'. If all persons in the society work, not only 'night work' but also a great part of daytime work too will be reduced.

The shift system and night work should not find a place in the 'new society without a value-orientation' which the working class will be creating. Night work can be there only in certain essential sectors and in special conditions. Certain departments in hospitals may have to work even at night. In institutions like telephone and telegraphs, certain sections may have to work even at night for transmission of urgent news (news about deaths and accidents). Certain means of transport may have to operate even during nights for supply of essential things like milk and vegetables. But, it would not be required to transport them in the night itself if preservation methods could be devised so as to keep those substances fresh and whole. Trains alone might run; but only for long distance journeys which will take more than 10 to 12 hours. But under no circumstances should buses ply at all during nights. There should be arrangements for those who travel by bus the whole day, to get down from the bus by the evening and to spend the night in repose at some place. Means of transport such as buses and lorries will not be available in large numbers in the initial stage when society enters into a new phase. In such a situation, therefore, night travels might become unavoidable in order to satisfy the transport needs of the society. But there should be a frequent change of drivers of vehicles if night transport is necessitated in such unavoidable circumstances.

On the whole 'new society' should necessarily dispense with 'night work' in a very short time. All human beings should be able to spend their mornings, evenings and nights in perfect ease and repose devoting themselves to artistic and other recreational programs, to family related duties and bringing up children.

All this is a ridiculous dream in 'capitalist society'. Here not only the nighttime work, but daytime work is also a heavy burden. There is no end for the thirst for 'surplus value' in the body of 'capital'. It counts even the minutes when the workers take food and draws away the rest of the time into 'labour process'. Food goes to the worker's body as mechanically as coal goes into the machine and oil into the wheel; but the worker does not have time to eat it with relish nor does he have food substances. Even the few hours of rest that the worker takes is only to

recoup his energies in order to work next day. The workers here are in two stages only. In the stage of work and spending the labour power and in the stage of recouping the labour power to work on the following day. Except being confined in these two stages, there won't be appropriate conditions so that the labourer's body can fulfill its physical functions in a natural way. Here the capital sucks away all opportunities of the working people to enjoy the cool evening walks and to watch sunlight and moonlight. It does not permit the bodies of the labourers to take enough of rest from fatigue nor sound sleep.

It is just not possible in a 'capitalist working day' to imagine individual development of workers! There is neither time nor economic scope, for their educational and intellectual development; for the discharge of their social responsibilities and natural relations with fellow human beings, for the utilisation of their innate physical and mental potentialities and for the satisfaction of their thirst for knowledge and art in natural ways.

What the capitalist thinks is not how to keep the workers healthy but how to make use of them for a longer time. What the capitalist is concerned with is not how long a worker is going to live but how much labour he is going to give while he is alive. There is a single goal for all the hopes of the capitalist: to extract labour of others without himself entering into labour!

The 'capitalist mode of production', which depends wholly upon a single factor called 'labour power', constantly keeps that labour half-starved, unhealthy, discontented and dejected. It deprives that labour power of any scope to elevate its material social conditions and reduces it to a low level of existence. It keeps it daily in sufferings and problems and finally subjects it to premature old age and untimely death.

Even if a particular capitalist is 'kind-hearted', that 'kind heart' will not change the condition of the workers. That capitalist may provide few more amenities but he will not refrain from taking 'surplus labour' from them. He will not refrain from making the workers work in shift system. 'Capital' will not survive as 'capital' if it ceases exploiting workers day in and day out. Capital, by itself, means self-expanding power. It will have to pity itself if it stops 'squeezing' surplus labor. Capital is not so foolish as to bring about such a situation. Which means, **the capitalist working day would certainly keep the 'labour power' under intolerable condition.**

2) 'Absolute' surplus value and 'relative' surplus value

All the Herculean efforts of the capitalist are only meant to earn 'surplus value'.

The length of the working day and the wages pertaining to a particular kind of 'labour power' generally remain almost the same with all the capitalists engaged in a particular branch. Though there might in fact be some differences among them, those differences would not be too wide. Workers do not go to that capitalist who offers very low wage. Then that capitalist too will have to pay the same wage as others pay. The same is the case with the length of the working day. Workers do not go to that capitalist where the working day is too long. Then that capitalist too is forced to keep the working day at the same level as other capitalists do. All conditions are thus generally alike with different capitalists engaged in the same branch. But, even in those conditions, there are bound to be certain minor differences. However, without considering these differences, we keep in view the general principle that wages and working-days concerning a given work are identical for all the capitalists.

When the working day is 12 hours and 'necessary labour time' is 6 hours, the surplus labour time for all will be 6 hours only. When the working-day is 14 hours, surplus labour time will be only 8 hours for all. When the working day is 10 hours, surplus labour time for all will be 4 hours only. Surplus value will thus be identical for all capitalists since the length of the working day and the wages of all of them are identical.

If the surplus value of all capitalists is to be the same, it is not enough if the working day and wages are alike. (Whether you call it 'productive power', 'productive capacity' or 'productivity'—all these mean the same. We have used the terms 'productive capacity' and 'productivity' in part 1 of this volume.)

'Social productivity' at a given time is what can be produced (in an hour or in a day) by the 'labour' in a particular branch, when it is carried on generally with the then existing instruments of labour and the production processes. In other words, it is the 'general productivity', which all capitalists in the society have.

Let us suppose that there are 10 capitalists in the branch of textiles. 9 out of them have the same 'productivity'. A worker employed by these fellows, produces 10 meters of cloth in a working day.

Capital for 1 metre is Re. 1 (constant 80 ps. and variable 20 ps.).

Value of 1 metre = 1.20 paise.

The rate of surplus value for these 9 capitalists is 100%.

The rate of profit is 20%.

Let us now see about the 10th person. Let us suppose that this fellow possesses 'better' means of labour and skilled workers who know how to work with those means of labour. Let us suppose that each worker in this 'work place' produces 20 meters in one working day. Which means, the workers here produce 2 meters during the same time in which the workers in the remaining work places produce 1 metre. That is, the productivity is double. This is the 'individual productivity' available with the 10th capitalist only. As the labourers here produce the commodity doubly in a working day, here the 'wage' expenditure on every metre becomes 'half'. That is, the wage expenditure here on 1 metre is 10 paise only. (In fact, the reduction in the 'wage' expenditure here will not be definitely 'half'. It will be a little more than that. Because the wage will not be as in the past to those workers who have 'better' labour power and who work with the 'better' instruments of labour. It rises to some extent. However, to make the example simple, let us suppose that these workers too receive the same old wage. Accordingly, worker produces 2 meters of cloth with 20 paise wage. Wage for 1 metre is 10 paise).

What decreases here is simply the expenditure on wage. The 'expenditure' on the means of production too does not change here. It will be as in the past. It is 80 paise per metre.

Thus, the expenditure of 1 metre produced under the 10th capitalist=80 constant+10 variable = 90 paise.

In this example, wage is 10 paise. If 2 meters of cloth is taken into account, wage is 20 paise. Here, the workers produce 2 meters during the same time in which workers at other capitalists produce 1 metre.

Let us take 1 metre at both the places. While 1 rupee is being spent for 1 metre in all other work places where the 'productive capacity' is less, here only 90 paise is being spent. This implies a decrease in expenditure here.

The expenditure spent at the workplaces of all the capitalists is the expenditure necessary 'socially'.

The expenditure incurred by the 10th fellow is the 'individual expenditure' relating to that work place only.

Well then, will the 10th capitalist, who got his commodity produced with lesser expenditure, sell his commodity at lesser value compared to others? He won't do so. This fellow also sells at the value at which all other capitalists sell. That is, he sells 1 metre at the rate of 1.20 paise! What will be the result of this? The surplus value, which this fellow receives, will rise. If other capitalists receive 20 paise profit through 1 metre, the 10th fellow will get 30 paise profit through 1 metre.

Let us see the rate of surplus value and the rate of profit of the 10th fellow.

$$\text{The rate of surplus value} = \frac{s}{v} = \frac{30\text{ps.}}{10\text{ps.}} \times 100 = 300\%.$$

The rate of profit:

If profit on 90 paise capital is .— 30 paise,
profit on 100 .....— ?

$$\frac{30}{90} \times 100 = 33\%$$

Rate of surplus value under other capitalists 100%
Rate of surplus value under the 10th fellow 300%
Rate of profit under other capitalists..... 20%
Rate of profit under the 10th fellow 33%

The 10th fellow too received the same surplus values, which all the other capitalists received. Also he received some thing more. That is the 'special surplus value' or, 'special profit'.

Why did it so happen under the 10th fellow?

Because there is more 'productivity' available with him only.

While all other capitalists have the 'social productivity', the 10th fellow has the individual productivity which is higher than the social productivity.

Thus, there are 2 ways to earn the 'surplus value'. One way is to earn 'average surplus value', which all capitalists get and another way is to earn 'more surplus value' than the average surplus value.

'Average' surplus value — 'Absolute' surplus value.
'Special' surplus value — 'Relative' surplus value.

The surplus value which all the capitalists receive in a given branch through the 'general productivity' available with them is the —'Absolute' surplus value.

The surplus value received through the 'individual productivity' which is more than the 'general productivity' is the 'relative surplus value'.

'Absolute' means independent by itself. 'Water flowing downwards' is an absolute truth. 'The earth being round' is another absolute truth. Things that apply equally to all contexts in general without relation to other conditions are 'absolute things'. In the same sense, absolute surplus value is that surplus value which all capitalists receive independent of specific conditions.

'Relative' things are those that happen in certain specific contexts under certain specific conditions. These are the things, which are different when 'compared' with the general things. 'Relative' surplus value is that excess surplus value which is obtained only in certain special conditions. Not all capitalists get it. Relative surplus value is always more than absolute surplus value.

The capitalist always concentrates his on attention 'profit' only. Not on the 'average profit'. On the special profit. On the profit larger than the profit which others get. Which means, every capitalist always tries for the 'relative' surplus value only.

The very attempts at this 'relative' surplus value constantly drag the capitalists into 'competition'. This fact itself is the motive force, which leads the capitalist system forward. Therefore, it is very much necessary to understand these things properly.

3) How does the 'productivity' increase?

The 'productivity' under the 10th capitalist is greater; isn't it? What is the reason for its increase at the 10th capitalist who earned relative surplus value? The reasons are two: better instruments of labour than employed elsewhere and workers who know better methods of work.

What is the reason for the production of better instruments of labour? Improvements in the instruments of labour do not take place as and when needed: daily or weekly. Changes in the instruments of labour take place only after experiences are accumulated over a period of time in the course of working with the existing instruments of labour. The changed instruments of labour will again change due to new experiences while working with them. An old instrument of labour, while undergoing changes reaches a stage where all its shortcomings are overcome and it finally acquires a definite shape. Or, an instrument, which is capable of undergoing changes, will go on changing.

It is the sum total of the manual and mental labour which is responsible for the creation of an instrument of labour. There is no question as to which of them—manual labour or mental labour—is more important. Manual labour employs the instrument. Mental labour won't be able to make changes after grasping the experiences gained in employing it. Those manual and mental labours may be of a single individual or of different individuals. But, on the whole, the united labour of both manual and mental labourers constitutes the basis for the production and improvement of the instruments of labour.

When a capitalist, with the help of an engineer, brings about improvements in the old instrument of labour, that engineer will not create them in the vacuum. He will be able to improve an instrument of labour only when he takes into consideration the experiences of the workers who were handling it in the course of their work. It is not possible to imagine an iron plough without having an implement of stone or wood that digs the earth. It is also not possible to conceive of a tractor in the beginning itself without first having an iron plough.

Let us suppose that an engineer prepared a blueprint of a powerful instrument by means of his creativity. Various types of manual labour become necessary for that instrument to get translated from imagination or from paper and materialise itself in reality with wood or metal. Further, manual labour possessing a special kind of labour power will be needed in order to work with it. Thus, the making, the use and the improvement of instruments of labour are all related to 'labour'. When we speak of labour, it may be either 'manual' labour or 'mental' labour. Whatever be the kind, it is 'labour'. It is only labour that is wholly responsible for an instrument to be fashioned and for production to take place by means of it: and no other thing, which is unrelated to labour, is responsible.

Accordingly, the technical knowledge of workers also needs to be improved in order to work with the improved instrument of labour relative to their work with the old type of instrument. The improved instrument of labour and the improved technical knowledge of workers together constitute a 'new productivity'. **If 'more production' results by means of this new productivity, the reason for it is not merely the workers but that 'instrument' as well. But if more 'value' is yielded through that 'increased production', the reason for it is only the workers and not that instrument.**

If we deduct the expenditure on the 'means of production' (constant capital) from the value of total production created at a given work place, the remaining value wholly belongs to 'labour' irrespective of whether productivity at a certain 'work place' is more or less and whether the means of production there might be useless or useful.

Just as the instruments of labour with less productivity add only their 'depreciation' value to the 'commodity', the instruments of labour with higher productivity also add only their depreciation value to the commodity. They can take back only that value which they add. No instrument of labour has the right to take more value than what it gave.

Though there are 10 types of higher and lower productivity in 10 work places, the law of value relating to the 'finished product' is the same at all places. After the expenditure of the means of production is deducted from what is produced, the balance belongs to labour— however 'large' or however 'small' that remaining portion may be! Productive capacity is something related to 'labour' only; and not related to 'capital'.

If the 10th capitalist had made arrangements for more 'productive capacity' by investing some amount more (investing more capital), he will definitely have the right to take back the expenditure on those arrangements. After taking back all the expenditure from the value of the produced commodity, the remaining portion belongs to 'labour' only.

Just as the 'average surplus value' produced in the work places where there is lesser productivity belongs to the workers of those work places, the 'excess surplus value' obtained in a work place where there is higher productivity also belongs to the workers of that work place.

However great productivity a work place may have, there won't be a single atom of surplus value that belongs to the capitalist.

Whether it is 'absolute surplus value' — it belongs to workers.

Whether it is 'relative surplus value' — it belongs to workers.

4) Struggle for the 'productive powers'

In the cloth example, the 10th capitalist employed better instruments of labour and better labour power and got produced 1 metre with an expenditure of 90 paise instead of 1 rupee; isn't it? It, then, means that its 'actual value' is decreased. Its value will be something that is obtained when the 'average profit' is added to the expenditure of 90 paise. Let us suppose that the average rate of profit under all others is 20%. If profit is added in the same manner in the case of this commodity also,

$\frac{20}{100} \times 90 = 18$ paise profit will be added. The value of this commodity will be 90+18=108 paise.

This is the individual value of this commodity only.

Well, then, will the 10th capitalist sell his commodity at this reduced value? He won't sell so. This fellow also tries to sell a metre for 1.20 paise like all others. But, if necessary, he can as well reduce that value. Because, he got his commodity produced with lesser expenditure. He won't lose anything even if the sale value is reduced to some extent. Moreover, the fellow would get more profit even by then.

Let us suppose that the 10th fellow sells 1 metre at 1.15 instead of 1.20. He reduced 5 paise compared to others.

That is, what is the whole thing that has happened here?

Social value of that cloth is ..... 1.20.

Individual value of the cloth of the 10th fellow ..... 1.08.

Value at which the 10th fellow sold ..... 1.15.

Which means, the 10th fellow sells his cloth at the value lower than the 'social value' and higher than its 'individual value'.

We have seen that the profit rate is 20% when the other capitalists spend 1 rupee for 1 metre and sell it at 1.20.

If the 10th fellow spends 90 paise on 1 metre and sells it at 1.15, the rate of profit is 28%. Though he sells the commodity at a lower value than the others, the 10th fellow has a higher rate of profit.

Moreover, as the 10th fellow sells at a lower value compared to others, he could sell more commodities.

Let us suppose that society requires a total of 500 m. of cloth per day. Let us say that while all other capitalists taken together sell 300 metres, the 10th fellow alone sells 200 metres. 10th fellow gets more profit.

Selling all this, the other capitalists won't keep quiet. They won't maintain silence thinking thus: "Let it be! Let us allow him to sell more. Let us allow him to take more profit". They will also make attempts to acquire the 'productivity', which the 10th fellow has.

The fellow who has secured higher productive capacity by then, tries his level best to keep that 'knowledge' in secrecy without making it available to others. Even then, after some time, the other capitalists also can get hold of the secrets pertaining to the new productive capacity. From then onwards, the situation for all the capitalists changes. Which means, now in a majority of work places, one worker can produce 20 metres in one 'working day' instead of 10 metres.

What will happen if more capitalists in that branch could achieve the 'productive capacity' of the 10th fellow? The value of that commodity will naturally decrease. Because, now all can produce with lower expenditure (with 90 paise expenditure for 1 metre). The productive power at a majority of the work places will become the 'social productive power'. That is the value at which 1 metre is now produced will be the 'social value'. Now, value of 1 metre is not 1.20 as in the past; nor is it 1.15 at which the 10th capitalist was selling until then. The present value is only 1.08.

Well, then, why can't the capitalists now sell 1 metre at 1.15 only? Because, in the meanwhile, by the time all other capitalists reach the stage of selling at 1.15, the 10th fellow reduces the value of 1 metre lower than 1.15. Then, all others too will do the same thing. This reduction continues to such an extent—to the extent of new social value. That is, up to 1.08, according to this example. It is not possible for anybody to reduce more than that. Therefore, the new value fixes itself there. The value fixed under all capitalists will be the new social value. However, when sold at this value, the rate of profit will be 20% as in the past.

Value according the old productivity:

80c+20+20s=120.

Here, the rate of surplus value is:100%; the rate of profit is:20%.

Value according to the new productivity is:

80c+10v+18s=108.

Here, the rate of surplus value is:18%; the rate of profit is:20%.

The rate of profit is 20% both in the past as well as in the present. But, the 'mass' and the 'rate' of surplus value are greater in the second example where productivity has increased.

Let us consider a working day of 10 hours (Or of any length).

According to the first example, the necessary time and surplus time are:

The working day is of 10 hours. 20v+20s.
5hrs.+5hrs.

According to the second example:

The working day is of 10 hours. 10v+18s.
3hrs.20mts.+6hrs.40mts.

Which means, the necessary time decreases and surplus time increases when the 'productivity' increases. We will see the same thing in few more examples later.

When the increased productivity is available to all the capitalists, all the fellows will be placed in the same position to increase the surplus value. Which means that the difference that exists between the 10th fellow and the rest will vanish. The increase surplus value, which all the fellows are now getting, will then become the 'absolute surplus value'. The situation wherein the 10th fellow alone enjoys an advantage will vanish.

If there exist even now one or two small-scale capitalists or independent producers who could not achieve the higher productive capacity, their expenses do not decrease. But the 'value of the commodity' of everyone decreases socially. Therefore, they too have to sell at that reduced new social value. As a result of that, their 'profit rate' decreases compared to the past.

What happened in the cloth branch, on the whole, is this: owing to the attempts made by the capitalists for either 'higher profit' or to keep up the old profit level, the productive power of all capitalists increased

and 'new social productive power' began in the place of the 'old social productive power'.

Let us now see another way of increasing the productive capacity.

5) Intensification of labour (intensity of labour)

A way to produce more without changing either the instruments of labour or the methods of labour is increasing the intensity of labour.

It is possible, even with the existing methods of work, to work with greater speed or with slackness. More production will be obtained if worked actively. Less production will be obtained if worked with slackness. Generally, there is a limit even to the 'intensification of labour' in every process of production. Average speed in work will be decided based on the instruments of labour and methods of work in a work place. But work can be done more speedily or slowly than that average speed.

'Intensification of labour' should be taken to have increased if — without any change either in the instruments of labour or in the methods of work—the amount of work that takes 1 hour is done in less time or if more work is done in 1 hour than what is expected to be done normally.

Let us suppose that it takes 8 hours for 1 person to plough 1 acre of land with the help of the existing instruments of labour. Let us suppose that a person finished that work within 6 hours without changing the instruments of labour. It means that the intensity of labour has increased. It also means that person worked with greater speed than the normal speed. Does it imply that it took less labour to that work since he finished 8 hours' work in 6 hours? No. All the labour that was required went into the work. According to the general calculations that work was of 8 hours' duration and not of 6 hours. That worker did 8 hours labour within 6 hours only. 8 hours in this context is the general condition relating to that work. It is the average condition. 6 hours is the specific condition related to an active worker.

Does it mean that more labour was involved when a worker whitewashes a wall of 100 square feet in 2 hours, which work normally takes 1 hour? No. The same amount of work, which should be done in 1 hour, has been done in 2 hours. But, not more work has been done here than the actual amount of work. Here, 2 hours' labour is equivalent to 1 hour's labour. Which means, the intensity of labour has decreased here.

How to know whether intensity of labour has increased or decreased or is at the general level? It is known from the amount of production. There is generally a limit to the amount of production to be done by a worker in a working day. If the production goes beyond that limit, it indicates that intensification of labour has increased and if the production is below that limit, it indicates that labour intensity has decreased and if there is no change in the production, it means that labour intensity is at the normal level.

Intensification of labour has gone up by 100% if 20 articles are produced—during the same time in which 10 are usually produced—without any change in the instruments of labour. If 15 articles are produced, the labour intensity has increased by 50%. If 5 articles are produced, the intensification of labour has gone down by 50%.

Workers work at a higher degree of intensity of labour when the capitalist gets urgent orders. The capitalist does not generally pay higher wages in those special circumstances. Even if he gives a little more, he would certainly not pay them at the same level to which the intensity of labour has increased.

Intensity of labour can increase productivity to a certain extent. But, the intensity of labour cannot by itself transform the 'old social productivity' into a new social productivity. Changes need to take place in the instruments of labour and in the labour power for a new social productivity to come about. Those new instruments need to be possessed by the large number of capitalists. Even there, there would be a normal speed in the performance of labour. It will be the normal intensity of labour arising from the conditions prevailing at that time. There will be scope for it to increase or to decrease again.

Intensity of labour in the capitalist process of production will be either at a normal level or at an increasing level. There is no question of its decreasing. If the intensity of labour decreases, the capitalist cannot get the commodity produced at the rate of 'socially necessary time'.

Intensity of labour will not be identical under all the capitalists in a particular branch of production. A capitalist might be very harsh and may get the work done with greater intensity. Or, work will be turned out at a greater speed even if convenient arrangements are made in the 'work place'. Even if some expenses are incurred, the value of the work turned out will be more than those expenses. Intensity of labour can be increased in that way as well. Therefore, intensity of labour will not remain the

same under all the capitalists. Changes will be there in the intensification of labour even when all the capitalists employ handlooms or when all of them employ a power loom. The 'control' and 'tact' of the capitalist toward the workers will be more useful in the matter of increasing intensity of labour.

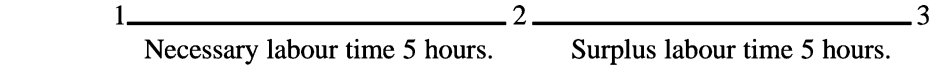
It does not mean that whenever greater production is turned out in a 'work place', the old productivity has transformed into a new one. The cause for greater production might be either a change in productivity or simply an increase in the intensity of labour without a change in the productivity. But, production resulting from new productivity will be many times more than that resulting from an increase only in the intensity of labour. However much intensely the work is done with a plough, we cannot get the same amount of work as with a tractor. But, it is not possible to get new instruments of labour any time one pleases. Therefore, raising intensity of labour will appear as a first means of securing 'relative surplus value'. As all capitalists cannot reach the same level even in this attempt, only that capitalist who is the 'cleverest' of all in extracting more labour from workers will secure more surplus value.

Bourgeois economists grasp the changes in productivity, but do not grasp the changes in intensity of labour. They think that labour always proceeds at the same pace in the case of all capitalists of a particular branch of production. They do not have a correct view even in understanding the increase in productivity. They see capital but not labour, as the causes for an increase in productivity. That is why they think that the capitalist alone has the right to get the increased profits resulting from the increased productivity.

6) Necessary labour time and surplus labour time will change if the productivity increases

In the cloth example, let us estimate that the rate of surplus value under the capitalists earning the 'average surplus value' as 100% and under the 10th capitalist earning more surplus value as 300%. We have to understand these two examples through the necessary labour time and surplus labour time in a working day.

Let us see the working day in terms of a 'line'. Its length : 10 hrs.



What is the way to increase surplus labour time without lengthening the working day? We have to simply move 2 toward 1. That is, surplus time will increase if necessary labour time decreases. Does it mean reducing wages? No. True that surplus value rises if wages are reduced; but the necessaries of life of workers will become less if wages are reduced. Workers will reach such a stage where they can not render any labour power (cannot work). Hence, **the way to raise surplus value without either reducing wages or lengthening the working day is to see that more production is turned out than the usual production in the same 'working day'.** It (production) should be sold at the old rate only. Moreover, the capitalist would get enough surplus value if old wages are paid to the workers (or if wages are increased a little).

If productivity increases, the necessary labour time of the workers decreases and the surplus time increases.

It means that the capitalist who increases the productivity and earns more surplus value exploits the workers more.

However, increasing the productivity brings him a new problem.

The new problem

The capitalist who increases the productivity and gets more commodities produced will face the problem of selling more commodities. In the cloth example, the 10th fellow has to sell 40 meters, during the period in which all the other capitalists sell 20 meters. That is why, the 10th fellow, if needed, sells the commodity at a reduced rate.

We have seen that the other capitalists in that branch of production too will secure higher productivity.

Then the problem of selling 'doubled commodities' will catch all the fellows.

If we assume that all the capitalists in the past used to sell 20 meters and secure 20% profit, now they have to sell 40 meters to earn the same profit! Which means that the rate of profit will not increase for anyone. The problem of selling the commodities, however, will increase.

The way that seems to the capitalist to solve this problem is to increase productivity further.

If a capitalist increases further the productivity available under him, he can produce the commodity with lesser expenditure than other capitalists can. If he could produce with lesser expenditure than other

capitalists could, he could sell every unit at lesser value than others. If he could sell so, he can sell more commodities. If he sells more commodities, he can earn more profit than others can. Therefore, **the way that seems to the capitalist to sell more commodities is to increase productivity further.**

Under every capitalist, attempts are constantly made to increase productivity. Sometimes, those attempts are made on a large scale. Sometimes, the attempts are made somewhat dull.

Whenever the competition with other capitalists becomes intense, every capitalist calls his scientists and engineers and tells them thus: "I don't know what you will do. Find out the ways of reducing the expenses further. Otherwise, get out from the jobs".

Where will those employees—who are mental labourers—go?

Even if they go to another capitalist, he would ask to do the same thing. All that they have to do simply is to conduct experiments to increase productivity. Hence, they immediately speed up their research. They in fact always conduct research on the raw materials and on the instruments of labour.

On the whole, under these circumstances, workers under one or two capitalists initially catch the 'new productivity' again. There is no rule that this new productivity should again start under the 10th capitalist only. Let us suppose that now also the new productivity for the first time started under the 10th fellow.

The problem of selling more commodities catches the 10th fellow first. Later, it would catch all others.

The capitalist always bears a 'big rock' on his head called the 'problem of sales'. While struggling under that rock, he takes up still bigger rocks on his head (the problem of selling still more commodities). By looking at the greater surplus value, though rock after rock gets on to his head, he feels "now it is very light".

In seeking to earn the 'relative surplus value', capitalists will be prepared even to give up their branches of production all of a sudden. They get 'relative surplus value', by going into those branches of production where there are no capitalist methods of production as yet and by competing with the help of their 'cheap' commodities with the commodity of independent producers who are carrying on production in

old methods. It is thus only for a greater surplus value that they change either branches of production or change methods while staying where they are or change both.

The struggle for relative surplus value passes into a more acute stage when only the capitalist process of production is established in all the branches.

7) What will be the effects of an increase in the 'productivity' on different classes?

If the production doubles as a consequence of transformation of the old productivity of a commodity into new productivity, would its result be alike both in the case of capitalist and workers?

This is one of the principal aspects which explains the nature of the capitalist mode of production.

By 'production power' or 'productivity', we mean that each labour will have its own productivity. For example, productivity of tailoring, productivity of weaving and so on.

We have seen that the increase of productivity takes place via certain stages. Initially, the productivity increases only under one or two capitalists. Then, it would be the 'individual productivity' of those capitalists. At that stage, it yields greater surplus value to those capitalists.

Gradually, it will become the 'social productivity' of all the capitalists in that branch of production.

The greater surplus value that was hitherto coming to one or two capitalists, will begin to reach all fellows and the difference vanishes.

Thus, depending upon the stage of 'productivity' in a given branch of production, aspects such as expenditure incurred on a commodity, value of the commodity, surplus value and rate of profit will be in accordance with the given circumstances.

While the productivity in one branch is increasing, the rest of the branches do not remain motionless and stay in the old condition itself during that period. The productivity will go on increasing in all the branches compared to the past. However, that increase will not take place in all the branches at the same rate. It increases in varying degrees instead of at the same rate. Depending on those changes, the 'value relations' of commodities of those branches vary than in the past.

If we suppose that the productivity in 2 different branches 'doubled' alike, the values of the commodities in those 2 branches diminish by half (since the labour time taken for them has become half). As the values of the 2 commodities are reduced in the same range, the value relations of those commodities of those branches will appear not to have changed at all.

When changes in the productivity are in varying degrees, the labour time taken for the commodities of those branches also changes accordingly and the 'value relations' of those commodities too will change accordingly. (Examples relating to this point may be seen in chapter 2 of part 1 of this volume, where we discussed 'productivity').

Though the productive powers in different branches are of different degrees, we can find out an 'average productive power' pertaining to all branches. We call the 'average' itself 'social'.

How much 'surplus value' can a branch produce in one year with 100 capital?

How much the other branches can do?

If the 'capitals' of all the branches are added and the 'surplus values' of all the branches are added and brought to an average, it will be known that an average capital of 100 possesses average productive power of producing a certain amount of 'surplus value'. The same would be the 'social productive power' of all the branches during that period.

Just as an individual branch has an average productivity, all branches taken together will also have an average productivity.

While the productivity in individual branches keeps on increasing, the average productivity relating to all branches will also keep on increasing. Only when these basic things concerning the productivity are known will we be able to offer an answer to the earlier question, namely, what will be the influence on different classes if the productivity increases? To seek an answer for this, we have to take the average productivity of all branches.

Because, we know that the portion of the necessary labour in a 'working day' is spent for the working class and the portion of the surplus labour for the capitalist class. The decrease in the portion of necessary labour takes place only due to an increase in the productivity concerning all branches.

The means of subsistence of the workers are produced in many branches. The labour time necessary for the production of means of subsistence of the workers depend on the productive powers of all those branches. That labour time alone determines the first portion of the working day. If the portion of that labour time decreases the first portion in the working day will decrease. In this way, the increase in the social productivity influences the portions in a working day.

Now let us imagine that all branches of production as 'one branch'. Let us imagine a working day of the same length in all the branches. That is the 'social working day'. Though the wages of the workers are at many levels, let us take the wages of any one level of workers. Which means, whatever happens to these wages, the same happens to all types of wages.

Let us now see serially some examples relating to the consequences of an increasing 'social product' on the portions of the 'working day'.

(1) In the society, there is a particular level of productive power. Working day is of 10 hours. A worker produces certain articles during this working day with this productivity. The question of the portion of 'constant capital' in that production is irrelevant here. We have to take the portion of 'living labour' only since it gets divided into 'wage' and 'surplus value'. We will see only this portion in all the examples. Here, let us suppose that the portion representing the value of this 'living labour' consists of 10 things or 10 rupees. If a 10-hour working day consists of 10 articles, 1 article takes 1-hour time.

In a working day,

necessary labour time 5 hrs.: surplus time 5 hrs.

$$\text{Here, rate of surplus value} = \frac{5s}{5v} \times 100 = 100\%.$$

(2) Let us suppose that the social productivity got doubled after a few years. Which means, the productivity in all branches got doubled. Working day consists of 10 hours. Now, in a working day, the worker produces 20 things as the value of his labour instead of 10 things. The time that was taken for 10 things in the past (10 hour working day) is now taken for 20 things. Therefore, 20 things now possess the value possessed by 10 things in the past.

Now, how much labour for 1 thing?— ½ hr. labour.

Now, how much value for 1 thing? — ½ rupee? —No.

Because, here, the change in the value of money should also be taken into account. We should assume that, like the 'productivity' in all the branches got doubled, the 'productivity' in the 'gold' branch, which is the 'money commodity' also, got doubled. What will happen then? The value of 1 rupee will become half. Then, 1 rupee will be equal to ½ rupee of the past.

In the past, 1 thing = 1 rupee.

Now, if the value of that thing decreases by half and the value of that rupee as well decreases by half, the 'value' of that thing and the value of that 'rupee' will be equivalent even now.

Therefore,
now also 1 thing = 1 rupee only.

It happened so due to an identical reduction of the value of commodity and value of rupee as well.

'Value' means labour time only.

Working day is the same (10 hours) both in the past as well as in the present. Therefore, the value produced in that working day is the same both in the past as well as present.

Even if the productivity increases, the value of the labour time of the same quantity will not increase. Its money expression alone will change.

In the past, the working day = 10 rupees = 10 things.

Now, ,, = 20 rupees = 20 things.

1 rupee=1 thing, both in the past as well as in the present.

The increase in the productivity will not change, the size of the total value produced. But, it changes the size of the use value. (We have discussed this in part 1 of this volume). Due to the doubling of productivity, now 20 things have come instead of 10 things. 20 things possess the value possessed by 10 things in the past now. Thus, in the working day, the use value has increased without an increase in the 'value'.

Well, now what will be the 'wage'?

Will the wage also get doubled due to the doubling of the productivity?

In the past, when value of labour was 10 rupees, the wage and the surplus value were as 5+5; weren't they?

Similarly, now when the value of labour has become 20 rupees will the wage and surplus value be as 10=10?

No. It won't happen like that. The capitalist increases the 'productivity' not in order to give an equal share in it to the workers. But it is not possible for the capitalist to escape completely from giving anything in the increased production. Because, a rise in 'productivity' implies working with new instruments of labour which requires a new kind possessed in the past. More expenditure would be incurred on the technical training of the workers who work with a tractor than the workers would with a plough. Which means, the 'value of labour power' of that new worker has gone up. A higher wage than before has to be paid to that new labour power if a technically better trained worker is required in the work place. If the situation won't permit him to act in such a way that 'new labour power' required by the capitalist would not be available at all. Therefore, the portion of expenditure on technical matters gets added to the wage whenever there is a rise in productivity and it becomes the 'value of new labour power'. Which means, 'wage' would also rise whenever 'productivity' rises. However, that increasing wage is not anything more than the value of labour power existing in the new circumstances. Therefore, what is the 'wage' under any circumstances? Value of labour power only. The number of things, which are required in minimum for the formation of the 'labour power' or, the value of those things is alone, will constitute 'wage'.

In the previous example, 5 things constituted the value of 'labour power'; isn't it?

Now let us suppose that 7 things are needed as the value of new labour power. The value of those 7 things will be the present wage. This is 'new wage'.

Now, 7 things=7 rupees.

Therefore, now, wage=7 rupees or 7 things.

If 5 wage gave minimum means of subsistence to the worker, the

present wage of 7 will also give minimum means of subsistence to the worker.

Either then or now, what remains after deducting wage from the value of labour is the 'surplus value'.

Now, the surplus value=13 rupees or 13 things.

We have seen that the rate of surplus value in the past is 100%.

Now, the rate of surplus value $= \frac{13s}{7v} \times 100 = 185\%$.

Now, what are the proportions of necessary time and surplus time in a working day?

Now, 1 thing = $^1/_2$ hour. Therefore,

now, the necessary labour is 3 $^1/_2$ hours. Surplus labour is $6^1/_2$ hours.

It used to take 5 hours in the past for the workers to produce their value of labour power. But, now, 3 $^1/_2$ hours are enough. If the workers worked only for their minimum maintenance, they can stop work after 3 $^1/_2$ hours. But, even now the workers do labour for 10 hours for that 'maintenance'. $6^1/_2$ hours time out of it is for the exploiters only.

It seems as if the 'wage' has gone up due to the increase in social productivity. True that the 'wage' has increased when compared with the past. But, surplus value has gone up over and above the wage. Let us now see the percentage of increase of each.

Wage was 5 in the past. Now wage is 7.

That is, increase in the wage is 2.

If for 5 — 2 increases, how much increase for 100—?

$\frac{2}{5} \times 100 = 40\%$. This is the increase in the salary.

Then, what about the increase in the 'surplus value'?

If for 5—8 increases, for 100—?

$\frac{8}{5} \times 100 = 160\%$. This is an increase in the 'surplus value'.

Due to the doubling of the productivity, increase in surplus value is

160%, while the increase in wages is 40%.

Though the wage increased due to the increase in productivity, the surplus value increased many times more than the wage. The essence of the matter here is that due to the increase of productivity, the necessary labour in the working day has decreased and the surplus labour time has increased. Which means, **the rate of exploitation increased compared to the past. This is the result got by the workers, for increasing the productivity and for producing more than in the past!**

This applies to all branches and wages of all levels in those branches.

Now, let us see one example where the degree of exploitation is as in the past though the productivity has increased.

In the past, wage and surplus value were half each (5+5) in the value of labour of 10; weren't they? (Degree of exploitation is 100%). Similarly, now also, if the wage and surplus value are half each (as 10+10) in the value of labour of 20, the degree of exploitation here also will be 100% as in the past. Which means, it seems as if the degree of exploitation has not increased in spite of the fact that the productivity has increased.

But, it will be clear what has happened if we see the surplus production. If the surplus production consisted of 5 things in the past, now it consists of 10 things. Which means, the surplus production has become doubled now. If we see the rate of surplus value, it is identical at both the places (100%). The increase of exploitation does not appear in it.

That is, those aspects, which do not appear when seen in 'value calculation', will appear when seen in 'calculation of products'. The surplus production might have increased even when it appears that the degree of exploitation has not increased.

The surplus production might have increased even when it appears clearly that the degree of exploitation has increased much. The same thing has happened in the examples where the rate of surplus value is 185%. In this example, the rate of surplus value is not 100%, but 185%.

Here, the surplus production does not consist of 5 things or 10 things, but 13 things.

(3) Let us suppose that the productivity has again doubled after some years. The working day is 10 hours. Subsequently, now if the worker produced 40 things instead of 20 things as the value of this labour. The

time taken for 20 things in the past (10 hour working day) is taken now for 40 things. Hence, the value of 20 things in the past is the value of 40 things now. How much labour does 1 thing require now?—15 minutes. Now, how much value does 1 thing possess? —As the labour time of the 'money commodity' also decreases by half, like the labour time of all things decreased by half. Which means, the value of money in the past also decreases by half. The value that existed for 20 rupees in the past now exists for 40 rupees.

Now, 40 things = 40 rupees.

1 thing = 1 rupee.

Due to the reduction in the value of the thing as well as the rupee by half, their value relation remains as ever. It will not change.

As 'new labour power' is required now, how much is the 'wage' now?

Now, will the wage also double since the productivity has doubled? Will the wage consist of 14 things now since the wage consisted of 7 things in the past? —It won't happen so.

What is 'wage'?—Nothing but 'value of labour power'. The minimum number of things or the value of those things required for their maintenance of the worker under 'new situation' is the 'new wage'. Let us suppose this new wage as 10 things or 10 rupees.

That is, now the surplus value is—30 things or 30 rupees.

Now, the wage : the surplus value

10 : 30

1 : 3 = 4 portions.

In a working day,

1 portion is necessary labour time. It is $2\frac{1}{2}$ hours.

3 portions are surplus labour time. It is $7\frac{1}{2}$ hours.

Compared to the past, the necessary labour has now decreased. Compared to the past, the surplus value has increased.

If the workers do labour simply for their own maintenance, it is enough if they work for $2\frac{1}{2}$ hours. After that, they can stop work. But, even after this much increase in the productivity, now also workers work for 10 hours out which $7\frac{1}{2}$ hours are for the sake of exploiters only.

Now, the rate of surplus value $= \frac{10v}{10v} \times 100 = 300\%$.

(4) After some years, the productivity has again doubled. The working day is 10 hours only. Now, the worker produced 80 things instead of 40 things as the value of his labour. The same duration (1 working day) taken for 40 things now takes for 80 things. Therefore, the 80 things now possess the value possessed by 40 things in the past. Now, how much labour does 1 thing require? —7 ½ minutes. Now what is the value of 1 thing? Just as the labour times of all things decreased, the labour time of the 'money commodity' too decreases by half and the 'money value' as well decreases by half. The value present in 40 rupees in the past exists now in 80 rupees.

80 things = 80 rupees.
1 thing = 1 rupee.

Well, now, how much is the 'wage' for the 'new labour power'?

As the productivity doubled now, will the wage also double? Will the wage become 20 things now since the wage in the past was 10 things? It won't happen so.

What is wage? —Value of labour power. Nothing more than this. The minimum number of things or the value of those things required for the maintenance of the worker under new situation is the new wage. Let us suppose this new wage as 15 things or 15 rupees. That is, now surplus value is 65 things. Or, 65 rupees.

Now, wage : surplus value
15 : 65
3 : 13 = 16 portions.

In a working day,

3 portions constitute the necessary labour.

It is 1 hour, 52 ½ minutes.

13 portions constitute the surplus labour.

It is 8 hours, 7 ½ minutes.

Now, the rate of surplus value $= \frac{65s}{15v} \times 100 = 433\%$.

If the workers do labour for their maintenance, it is enough if they work for 1 hour, $52\frac{1}{2}$ minutes. After that, they can stop the work. But, even after this much increase in the productivity, now also workers work for 10 hours, out of which 8 hours, $7\frac{1}{2}$ minutes is for the sake of exploiters only.

So far, we have seen 4 examples in the growth of productivity. In all the 4 examples, the labour time of the worker was the same (a single working day) and hence the value produced by the workers was the same. What the workers received and what they lost out of their labour, as the productivity kept on increasing have been like this:

Working Day	Value of worker's labour in terms of money	Wage	What the worker lost	Rate of exploitation	Necessary labour in the working day	Surplus labour in the working day
1) 10 hrs.	10 Rs.	5	5	100%	5 hrs.	5 hrs.
2) 10	20	7	13	185%	3.30	6.30
3) 10	40	10	30	300%	2.30	7.30
4) 10	80	15	65	433%	$1.52\frac{1}{2}$	8. $7\frac{1}{2}$

If we see the same in terms of 'production':

In the 1st e.g., wage = 5 things; surplus product = 5 things.
In the 2nde.g., wage = 7 things; surplus product = 13 things.
In the 3rd e.g., wage = 10 things; surplus product = 30 things.
In the 4th e.g., wage = 15 things; surplus product = 65 things.

From the 1st example to the 4th example...

Wage rose from 5 to 15 things.

$$\text{This increase} = \frac{10}{5} \times 100 = 200\%.$$

Surplus production rose from 5 to 65 things.

This increase is..... $\frac{60}{5} \times 100 = 1200\%$.

In these examples, we have seen that the rate of exploitation kept on increasing as the productivity kept on increasing.

Now, however much the productivity is increasing, let us see some examples in which the rate of exploitation is 100% only as in the 1st example. In every example, half of the value of labour should constitute wage and half the surplus value. then the rate of exploitation will be 100% in every example. But, its growth will be evident only when we see the surplus product.

In the 1st e.g., wage = 5; surplus product = 5. Exploitation=100%.
In the 2nd e.g., wage = 10; surplus product = 10. Exploitation= ,,
In the 3rd e.g., wage = 20; surplus product = 20. Exploitation= ,,
In the 4th e.g., wage = 40; surplus product = 40. Exploitation= ,,

Thus, though the rate of exploitation appears always to be 100%, the quantity of products that goes to the capitalist keeps on increasing as the productivity keeps on increasing. If that fellow got 5 things in the 1st example, he gets 10 in the 2nd example, 20 later and then 40. His share will go on increasing like this.

If the surplus value and the wage also become double when the productivity also becomes double, it amounts that the fruit of the increase in productivity reached not only the capitalist but also to the workers though the exploitation still exists. But, **the wages won't increase to the same extent as the productivity increases.**

But, in these examples, every time we have seen the wage and surplus value half each in order to grasp the point in various ways. But, the actual fact does not exist like that. If the actual fact exists like that, we have to change the meaning of the word 'wage' from the 'value of labour power' to 'half of what the workers produce'.

As the productivity goes on increasing, the products received by the worker will also increase. The increase, however, is no increase since all these increased products are meant only for the sake of 'new labour power'. Even then, it only means that the worker gets simply the value of labour power, but not more than that. Which means, what worker gets is only the value of labour power however much the productivity increases.

The worker gets merely the value of labour power whether he produces 10 things a day or 20 or 40 or 80. Which means, it is all the same for the workers who receive only minimum means of subsistence as wages, whether productivity has risen any number of times or not risen at all or whatever be the stage in productivity. The workers will get the value of labour power even when productivity is at the lowest level. Which means, even if it increases, workers won't get the fruits of that increase.

We have so far kept in view the social productivity only. We have seen that the productivity in all branches doubles periodically. But, it won't happen so in the daily life. Though the productivity in all the branches always increase to the same extent, it won't increase to the same extent in all branches. They increase in varying degrees. Due to this, the labour times taken for the products of those different branches as well as their value compositions change.

The changes in the 'money value' do not always occur uniformly. As a result of decrease in the money value, the expression of money of the products, compared to the past, increases. But, all these are purely technical changes. Change of the money value is like change of the size of the vessel measuring grain. If the value measurements of the products, and wages change according to the change in the money value, it does not amount to a change at all. It is as if no change has taken place.

Similarly, if the changes in the value relations of different branches also take place actually according to the changes in the labour time, it also amounts to non-occurrence of any change.

The changes in the value compositions do not either raise or lower the level of exploitation. The level of exploitation depends upon how much the workers are producing and how much they are taking and losing out what they produce.

It would be no use to the worker in a society where he gets only the value of labour power instead of value of labour, even if the productivity increases many times.

When compared to a situation where the worker works for 10 hours and takes 5 hours' products as wage, a situation in which he works for 10 hours and takes 3 hours' products as wage amounts to the cheapening of the worker.

As the productivity goes on increasing, the gap between the workers and capitalists will go on increasing.

Because, compared to a situation in which a worker produces 10 products and takes 5 leaving the other 5 to the capitalist, the situation in which he produces 20 products and takes 7 as wage leaving 12 to the capitalist implies that the gap between their respective living conditions has further widened. In the first example, if the worker consumes 5 products a day, the capitalist also consumes 5. In the second example, if the worker consumes 7 products, the capitalist consumes 13. In the third example, if the worker consumes 10, the capitalist consumes 30. In the fourth example, if the worker consumes 15, the capitalist consumes 65. Thus, the gap between their respective living conditions would go on widening as productivity goes on increasing. The capitalist, in each of these four examples, is a 'non-performer of labour'. He is a non-performer of labour both when he robbed 5 products a day and when he robbed 65 products a day. But, the capitalist will be possessing greater 'money power' when he is in the position of robbing 65 products than in the position of robbing 5 products a day. He would be oppressing more. The gap in the living conditions of the workers and the capitalist would gradually widen to such an extent that it may be called a 'great gulf' As the productivity goes on increasing, the depth and width of that gulf will become deeper and wider; the 'money-intoxication' of the exploiters too will increase, and all the powers will increase so that the workers are made not to rebel.

8) What does the capitalist-economist say about 'productivity'?

The profits of the capitalists increase if the productivity increases. —This is what the economist sees. He thinks thus, "This is right. It is happening so because it is right". As this economist does not have any logic anywhere, here too he will not have any logic and any questions.

Why should the profits of capitalists alone rise if productivity rises? Why should not the workers' wages also rise to the same extent? Should not the living conditions of all persons in the society improve to the same extent due to the rise in the productivity? Why is it not happening like that?"—Such questions do not find place with them. Because, to them the whole productivity is due to the instruments of labour. Those instruments of labour belong to the capitalist. The capitalist alone will purchase them with 'his money'. The capitalist alone gets experiments done by the scientists and engineers and thereby increases productivity. That is his own. Therefore, the capitalist is the rightful claimant to have all the production that is made as a result of an increase in productivity.

There is no need for 'labour' to have a share in it. —This is the capitalist view of productivity. The economist who has such an outlook will not naturally entertain the question 'why don't the workers' wages also rise in the same proportion as the increase in productivity?' His principle being that there is no relation between the 'workers' and the 'productivity', he sees no need for increase of wages in the same proportion as the growth of productivity.

Seeing a thing that is related exclusively to 'labour' as something that is related exclusively to 'capital' amounts to seeing the actual truth 'upside down'. We have been seeing from the very beginning that capitalist economists, like capitalists themselves, walk in an upside down manner.

These economists, with different names like 'industrial progress', 'industrial development', 'national development', praise this growth of productivity which seeks to further raise the capitalist's heaps of money, further disregard the workers' labour power. These words of praise are all meaningful from their viewpoint. Call it 'progress', call it 'advancement' and call it 'development', what else is it but a 'growth of the quantity of surplus product' to the exploiting class? It contains the whole of their 'progress'!

Another erroneous view of capitalist economists concerning productivity is this: 'Capitalist economy arises only where productive forces are high'. To say that 'capitalism arises where the productive forces are high' since productive forces are high in areas where there is high fertility of the soil—amounts to saying that 'capitalist arises only in those areas where there is high fertility of the soil'. This is an erroneous view. (It does not mean that they employ the word 'capitalist economy' in a negative sense. Both those who favour it as well as those who condemn it, would call it with the same name. The capitalist would call a capitalist a 'capitalist'. This is also like that). For the formation of 'capitalist economy', it is enough if one has, on the one hand, workers who do not have their own means of production and who sell their 'labour power'; and on the other hand, the capitalists who purchase it. When the condition is such, the degree of fertility matters little. But, the capitalists will have more surplus product when the worker can produce more where fertility and resources are more favourable. When these factors are absent, there will be a lower surplus product. This alone is the difference.

Labour of the same measure (e.g., 1-hour labour) yields different sizes of productivity in different places due to differences in fertility and

other natural resources. The value of labour power will also be in different degrees. Based on these 2 factors, even the surplus production will also be at different levels.

When a capitalist achieves greater productivity and gains greater profits than others do, it becomes an 'ideal' for others. The dazzling profits of the other fellow attract everyone and compel all others to follow the same path. When all the fellows achieve the same level of productivity, the 'relative surplus value' that was being secured by a few in a particular branch of production would now become the 'absolute surplus value' that could now be secured by all.

But, this stability is only for some time. However long this time might appear, the stability is only temporary. Again a hunt for 'relative surplus value'. It is a natural capitalist avarice to sell more commodities of one's own than others and to snatch more profits than others.

Natural desire of human beings to acquire 'knowledge of nature' and the capitalist's mean thirst for relative surplus value, together will go on enhancing productive forces in as many ways as possible. The productive forces will keep on growing at a rapid pace due to the profit motive.

Productive forces were growing in previous societies as well. But, it used to take hundreds of years for a particular productivity to increase even slightly. After the rise of capitalism the productivity developed at a speed of several hundred times within a very short time compared to earlier. It is still growing. As capitalism is a system of 'commodity production', the character of multiplying productive forces with 'money' motive is specific to it. According to capitalism, there will be no natural limit for the growth of productive forces.

9) Is increase in 'productivity' 'good' or 'bad'?

When we view the question of the increase in productivity in isolation, it is very good. Owing to it, the labour time taken for one thing diminishes. Therefore, more things can be produced in the same period. It is only good and not harmful for the people if they can produce 20 things or 100 things, instead of producing 10 things a day. That work can well be carried out within a short time with the increased productivity and the work can be stopped as soon as the production required by society is made. The entire time need not be spent on labour. As the leisure time is obtained off the labour, that time can be spent on arts and other types

of knowledge. Which means, the working day can well be shortened as the productive forces keep on growing. Therefore, the increase of productive forces is a happy thing for society. But, when the control over those productive forces is in the hands of the exploiters, all the fruits of the increase of those forces go to the exploiters. There won't be anything that reaches the labouring class. Therefore, in the capitalist system, it is one and the same to the working class to have either increase or non-increase in productivity.

10) Productivity in the 'New society'

Here, let us see an example from the perspective of a 'new society'. In the new society, the entire population does the work. The working day is of 8 hours. While this is so, let us suppose that the 'social productivity' has become doubled. If this society is in need of this doubled production also, the entire population of the society can well produce it by working for 8 hours as ever. Or, if the society does not need more production than the production in the past, entire population can work only for 4 hours daily with this increased productivity and can undertake the required production. Which means, the working day would become short as a result of the increase in productivity. That is, the labour time of all people will become reduced.

If 'productivity' rises further the 'working day' decreases further.

Thus, the result of the increase in the 'productivity' reaches all persons alike in the new society.

Moreover, there will be natural limits to the increase in productivity in the new society. Welfare of the human beings is that natural limit.

If we go on raising a given level of productivity, it will go to any extent. There will be no natural end to that growth. But that growth has to be stopped at some point or the other by examining it from a use value perspective.

For example, consider the case of means of transport. We can go on increasing the speed of trains and aeroplanes as the knowledge of science goes on increasing. Let us suppose that health of the people might be adversely affected or accidents might take place if travel is undertaken in such fast vehicles. The speed of the travel need not be increased any further in such an eventuality. Speed travel means, by the time these vehicles reach their destination, it is people who should alight from them

rather than their dead bodies. The 'speed of travel' should be such as not to cause harm to the living body and hence that speed will have to stop at some point. But when seen with reference to the scientific knowledge, the speed can possibly be increased a thousandfold. Science might contain principles required for it. Even if the human beings know all those principles, they are of no use. Which means, they should be abandoned. This amounts to the abandonment of higher production.

Similarly, humans might be aware of many formulas relating to many types of new products. But there is no need to make use of all the known formulas. For example, let us suppose that instead of producing 'cotton', some other raw material for making cloth takes much less time to produce. But let us suppose that by using those clothes made of that raw material may give bad results like skin diseases or non-absorption of sweat. In such cases, the raw material that can be produced with less labour should be abandoned and cotton be produced though it involves more labour.

Similarly, more productivity may be obtained from certain type of instruments of labour. But let us suppose that there is a scope for more number of accidents due to such instruments of labour. Then, those instruments of labour should be abandoned. which means, it amounts to abandonment of the higher productivity. All this is for the sake of human welfare.

The human beings might have known all the scientific knowledge required to construct 100-storied buildings or 200-storied buildings. But, in the course of construction and in the course of their use those buildings give harmful results in many ways. Therefore, however much technical knowledge of constructing buildings over buildings is known, all of it has to be abandoned. If the society feels that the buildings with more than 3 stories are not safe, the technical knowledge relating to the 4th floor will have to be abandoned. Even if we know technical aspects concerning 100 stories, we need not utilise that knowledge. Which means, it amounts to leaving the growth of the productive forces after a certain stage.

Let us assume that the society possesses the technical knowledge of driving the motor vehicle along the road with 200 kilometers speed. Let us also suppose that it is not 'safe' to drive the vehicle with a speed of more than 50 km. Then, the technology that yields higher speed will go

waste. Thus, if we keep in view the physical properties and the natural needs, the productive forces need not be increased unendingly.

There are so many substances in 'nature'. We are using only the safer ones among them. We are leaving the harmful material. The same is the case of scientific principles also. We cannot utilise all the things known through science. We have to utilise only those things, which are needed and only to the necessary extent. In the case of productive forces that can be increased without a limit, a limit has to be set in accordance with the physical properties and welfare of the human beings.

The new society which operates with a use value perspective will be (should be) with this type of rational outlook with regard to productive forces.

We have seen that the productive forces did not increase in the past societies for many hundreds of years and the capitalist system alone is increasing the productive forces with 'profit motive'.

Well then, we have to seek answers to the following questions: 'Will the growth of productive forces stop if there was no capitalist system? Will the productive forces not increase even if there was no 'profit motive'?

If the capitalist society could increase the productive forces with profit motive alone, the new society can increase the productive forces without the profit motive.

Under capitalism, the productive forces available under a capitalist do not reach others. Here, the entire scientific knowledge is kept secret at various levels. Everyone, for his own benefit, would make it non-available to others, as if it is their own property. The same thing has been invented again at the work places of other capitalists as well with new expenditure. This situation, in fact, creates many obstacles to the growth of the productive forces.

This type of situation won't be there in the new society. If it is a society without any private property or profit motive, the growth of the productive forces in such a society will proceed without any obstructions. Experiences will always be accumulated in the course of performing 'labour'. The knowledge of natural science will go on increasing. There won't be any obstructions socially to sharing that knowledge among all the work places. Owing to these reasons, the increase of the productive forces will not at all stop even in the new society. Moreover, all the fetters

of those forces hitherto existing will be scattered away. They would go on increasing unobstructed. Those forces have to be stopped at a certain point. They ought to be utilised with a sense of discrimination.

In this way, not only will there not be hurdles to the growth of productive forces, the fruits of that growth will be available to all people alike in society.

But, none of these things is possible to capitalist society.

The main aim of the capitalist system is to produce 'surplus value'.

Surplus labour itself is 'surplus value'. There won't be a capitalist system if there was no surplus labour. (There won't be an exploiting society). Therefore, the more you make workers work, the more you get the surplus value. In such a system, production with such an aim, however much the productivity may increase and however much the production may be carried on as a result of it, the surplus labour won't increase. That is, to however high a level the productive force may increase, the working day won't decrease. It is unavoidable to the workers to be fully at work always. It is the same working day during which 10 things are produced in a day and it is the same working day during which 100 things are produced in a day. Here, the working day does not decrease while the 'productivity' is increasing. Moreover, the portion that the workers lose from their value of labour will go on increasing as the productivity keeps on increasing. That portion goes into the hands of the capitalist and the power of oppressing the workers would go on increasing. Thus, in this system, the labouring class will not have freedom from the surplus labour.

11) Competition: A contemptible word!

While examining the capitalist mode of production, we have already acquainted ourselves with contemptible word, namely, competition. It is only this contemptible phenomenon called 'competition', which we have been witnessing since we started examining 'relative surplus value'. The whole struggle for the 'relative surplus value' is nothing but a competitive struggle. The competitive outlook is that due to which one seeks to sell a greater quantity of commodity and to gain more money than the others. One should get more money than others have. For that, one should sell so many commodities which others cannot sell.

"One should be content with what he has, one should not be over greedy". Greed heads to grief—all these senseless gibes are meant for

labourers but not for exploiters. These kinds of sermons, made by the philosophers under the influence of 'exploitative mode of production', will not have any impact on exploiters. Their influence will be on labourers only. Because, labour will anyway live only in poverty. Even if they have desire to eat more and to have more, they cannot find any way to satisfy them. To people in such a situation a teaching like "Be content with what you have" will provide great consolation. It makes them bear the burden of the conditions of their living. But, this teaching will not have any impact at all on the 'slave masters' or the 'feudal lords' or 'capitalists' and above all, it won't have any impact on the capitalist mode of production whose very life is filled with avarice, greed and rapacity. Its whole life is to be discontent with what it possesses!" Its life is full of jealousy, egoism and competition at every step!

This competition is so important under capitalism that, forgetting it amounts to forgetting the whole range of characteristics of the capitalist mode of production. **'Competition' is specific to capitalism alone. It was not there in the earlier societies**. Though there were struggles for properties between slave masters and feudal lords in earlier societies, competition was not there as an everyday phenomenon. Competition is so specific to capitalism that we can call the capitalist mode of production the 'competitive mode of production' as well.

Capitalist economists depict 'competition' as the 'struggle for existence'. They seek to justify exploitation, competition and every injustice emanating from them with a haphazard argument as this" "This competition is unavoidable in order to 'survive'. A snake gobbles up a frog. A big fish devours a small fish. Similarly, it is unavoidable to a human being to struggle with fellow men for the sake of livelihood". A snake gobbling up a frog or a big fish devouring a small fish are phenomena of nature. Humans exploiting other humans, competing with others are social phenomena. These two things should not be equated. No force in nature can stop a snake from gobbling up a frog. If the snake gobbles up the frog, the frog also gobbles up some other insect. Either a mongoose or an eagle kills the snake as well. All these killings are thus laws of nature. Struggle for existence is only that struggle which is waged for the sake of 'food' and 'self protection'.

It cannot be called as 'struggle for existence' if a person, while sitting idle without performing any labour and if a couple of idlers compete with each other in order to enhance their money. There is no scope in

nature for a snake and frog to coexist happily. But there is scope in the society for all the people to live together happily. When there is a scope for living happily without exploitation, competition, the exploitation and competition cannot be treated as struggles for existence. The economists who are servile to the capitalist defend the struggle, which the capitalist wages due to his craze for money as struggle for existence. From their perspective, it is a struggle for existence. But all that is a perverted struggle for existence waged by those fellows who went mad for money.

We have yet to see many issues concerning the capitalist system. The competition that exists among the capitalists for huge profits leads gradually to the world market and world wars also. The entire capitalistic world would become the money world filled with avarice for and race for huge profits. Money itself becomes its soul. —We will gradually see all these things in the subsequent chapters.

Now again, we have to see some more issues concerning the working day.

12) Laws governing the 'rate of surplus value'

But a question, "how much work will be turned out in a working day of 10 hours?". If it were for the bourgeois economist to answer, he would immediately say thus: "10 hours of work will be turned out"! According to him, only 10 hours of work will be turned out. According to us, 11 hour's work may be turned out in 10 hours. 14 hours' work may be turned out. Or even 20 hours' work may be performed.

There are 10 capitalists in the branch of cloth production. Generally speaking, the length of the 'working day', intensity of labour and instruments of labour are equal with all the capitalists. But in the actual fact each of these things exists with certain variables under every capitalist.

It can be said that 10 hours of work is performed in 10 hours 'time, only if work is carried on hour after hour in exactly the same way at all the capitalists. But the same amount of work is not turned out under all of them in a working day since conditions differ variously from one capitalist to another. Which means, the 'production' will not come out alike.

Let there be any number of differences, we find, on the other hand, a situation in which all the differences disappear; thus each kind of situation will function in its own way. The ultimate effect will be based on the strength of the respective situation.

The level of production will not be the same with all the capitalists in a particular branch. If one functions with a capital of one thousand, another works with a capital of 2 thousand. Economising the means of production will be possible more in the case of the second fellow than the first fellow. The first fellow can make up this shortcoming by increasing intensity of labour. But the difference will be as usual if the intensity of labour increases.

Let us consider the cases of two agricultural capitalists belonging to different regions. Let us suppose that in one region conditions indicate a failure of crops and in another conditions favour a good harvest. There will be scope for the first fellow to compensate his loss by increasing the intensity of labour.

The working day is of 12 hours if there are 2 shifts a day and 8 hours if there are 3 shifts. The working day will be of so many hours if there is a shift system. But it is possible to make labourers work for more hours without strictly observing the working hours in times or places (in the agricultural sector) where the shift system does not prevail. Owing to that situation, differences occur in the work done.

In the mining work, the material will not be available alike at every place. In such a situation the capitalist can see to it that he gets equal production either by lengthening the working day, or by increasing the intensity of labour, failing which there will be differences.

Variations will occur in the work depending upon the goodness or badness (quality) of the raw materials as well. Spinning of yarn will be easy and production will be greater if cotton is of good quality. If the cotton is of bad quality, yarn will get snapped every now and then and production will be low. Even if the value of good cotton is somewhat higher, work of much more value can be turned out since the work is carried on speedily. Where work is carried on with bad cotton, there is a scope for overcoming that shortcoming by lengthening the working day and increasing the intensity of labour. If the working time and intensity of labour are increased where the raw material is good, that will yield much greater product.

All capitalists thus make necessary modifications according to their specific conditions. Despite such modifications, the consequences continue to vary. That is why the same working day does not yield the same production. It yields different sizes of production to all the capitalists. Owing to that, one will get more surplus value and another gets less surplus

value. It is therefore necessary to identify certain conditions as conditions governing the rate of surplus value. These may be called 'Laws governing the rate of surplus value'.

The amount of production in a working day depends upon 3 factors, namely, the length of the working day, productivity of the instruments of labour and intensity of labour. These 3 factors combine in different degrees under different capitalists. One might increase and others might decrease or one might decrease and others might increase. All of them might at once increase or all of them might at once decrease. Thus, working days differ from one capitalist to another with various combinations of their specific factors.

Some examples:

(1) What will happen if productivity increases while the length of the working day and the intensity of labour remain unchanged? — Production will go up certainly. Its consequence is a reduction of necessary labour time and an increase in surplus labour time. Which means the rate of surplus value rises.

(2) What will happen if productivity increases while the length of the working day and the intensity of labour decrease? —Production must decrease as the former two have gone down. Production must increase since productivity has risen. We can't say correctly about the ultimate result unless we know the details about the percentage of decrease in the former two factors and the percentage of increase in the third factor. If we view the matter from a general perspective, the production in this example might either remain as ever or might increase a little. Which means the proportions in the working day either remain constant or undergo a slight change.

(3) What will happen if intensity of labour increases while the working day and productivity remain unchanged? —Production will go up certainly. This is but an outcome of the first.

(4) What will happen if the working day increases while productivity and intensity of labour remain the same? —Need it be said? Greater production. It is but the result of the first.

(5) What will happen if the working day remains the same, but productivity decreases and intensity of labour increases? —These two might balance each other and production might be as ever. We cannot say correctly about the result without knowing of the extent to which

productivity has decreased and the extent to which intensity of labour has increased.

All these combinations tell us how the proportions of necessary labour and surplus labour in a working day could change and how the value of labour power could change.

There is no need for the rate of surplus value also to go down as soon as productivity has decreased. That increasing the intensity of labour and lengthening the working day and the result can compensate loss could remain as usual.

In England, between 1799 and 1815, productivity declined in the agricultural sector and values of necessaries of life rose. Consequently, capitalist was obliged to raise the wages of the workers.

Though the capitalists increased wages, the rate of profit of capitalists did not decrease since the values of the commodities sold by the capitalists have also increased. But, by pointing out the wage rise, the government accorded to the capitalists a right to lengthen the working day and increase the intensity of labour than in the past. In this way, arrangements were made so that the profits of the capitalists remained as ever in spite of a fall in productivity. It was the workers who suffered on account of that fall in productivity. It is they who suffer even if it went up.

Whenever the working day has had to be shortened by law (when the 18-hour working day was shortened to that of 17 and then to that of 16 hours, the capitalists consider it as something that reduces their profit. They compensate that loss by means of increasing productivity and intensity of labour. If the capitalist can manage to get more production within the shortened working day, it is as good for him as an unchanged working day!

Depending upon the special circumstances surrounding it, a working day gives more value or less value, but it does not give a fixed value everywhere.

Let us suppose that the working day is of 8 hours under all capitalists in the cloth sector. In these 8 hours, every worker has to produce 8 metres of cloth generally. Here, let us consider that there are 3 work places and there are 10 workers in the 1st place, 20 workers at the 2nd place and 15 at the 3rd place. In 1 working day, they produced 100 metes of cloth at the 1st place, 180 metres at the 2nd place and 120 metres of cloth at the

3rd place. Where was more production done? It does not mean that more was produced where 180 meters were produced. The production at every place should be divided with the number of workers there in order to see how much was produced by each of them. It means, more production must be deemed to have been carried out at that place where one worker produced more. At the 1st place each worker produced 10 meters, at the 2nd place 9 metres and at the 3rd place 8 metres. Production at the 3rd place was carried out at the general level only. Production at the 2nd place was carried out at a somewhat larger scale and production at the 1st place was carried out at still a larger scale compared to the 2nd place. It was an 8-hour working day at all the 3 places. Yet the production carried out by each worker varied from place to place. That is why a working day of the same length, depending upon the different conditions, give products of different sizes. Owing to this fact, capitalists receive surplus value differently. Which means, we have to conclude that the working day does not give a single fixed value everywhere. Measured by hours that appear superficially, a working day is a fixed category. But when viewed from the perspective as to 'how much production has been carried out', it is not fixed but variable.

But according to the bourgeois economists, the working day is fixed. Its productivity as well as intensity of labour are of the same level with all. Production is carried out at the same level under all capitalists. That is why only 10 hours of work have been performed in a 10-hour working day. They see an hour only with reference to the 'clock', and not with reference to 'production'. Carrying out "10 hours' work in 10 hours' time" appears to them as natural as the measure that "a day consists of 24 hours". That is why they raise hue and cry as if a big danger fell on them, if they have to reduce the length of the working day even by 1 hour. They will anyway recover that production through some means even if either 1 hour or 2 hours shorten the working day. Would it not be further profitable if that hour too is not reduced?

Just as the length of the working day, productivity and intensity of labour vary from one capitalist to another capitalist within a branch of production, they also vary from one branch in a particular country to a similar branch in another country. Which means, there will be difference between conditions in the branch of cloth production of one country and the conditions in the branch of cloth of another country. The same is the case with regard to the conditions pertaining to mines of one country and those of another country and so on.

Therefore, working days of different countries produce different 'quantities of value'. The working day of a country having greater intensity of labour yields production and hence gives an opportunity to get more value than that of a country having less intensity of labor. Conditions prevailing in different countries too give results akin to those yielded by the conditions existing among different capitalists.

Just as there exists competition among the capitalists of one country for the 'relative surplus value'; there exists competition among the capitalists of different countries as well. That would be in a further intensive level. —We will see all these things in subsequent chapters.

Now we have to still see issues relating to the working day itself.

13) Different forms of wages

Payment of wages to workers is mainly made in 2 ways.

(1) Time wage: This is the method of paying wages on the basis of 'period of work'.

(2) Piece wage: This is the method of paying wages on the basis of 'production' carried out.

(1) Time Wage:

Wages are paid either after a 'day's work', or after a 'week's work' or after a 'month's work'.

Let us suppose that a working day is of 10 hours; value of labour is Rs.100 and wage is Rs.5.

Rs. 10 — Value of labour.

Rs. 5 — Wage or value of labour power.

However, we may also call wage the 'price of labour' in the sense that it is the 'price paid for the labour'.

So far we have heard the word 'value' only but not the word 'price'.

In fact, value and price are one and the same.

But there may be a couple of instances where they are not one and the same. We will see these things later in the chapter on 'capitalist price' in the next volume.

To buy 'labour', some price should be paid to the person who performs that labour. Which means, some wage should be paid. In this sense alone, wage may be called the 'price of labour'.

This means, if wage is one name for the 'value of labour power', the 'price of labour' is another name.

If the price of labour of 10 hours is — 5 rupees.

the price of labour of 1 hour is — $\frac{1}{2}$ rupee.

If the hours of work increase without a corresponding change in a working day's wage, it means that wage per hour has gone down. If wage is paid also for the increased hours, it means that the wage on the whole has gone up for the day but the 'price of labour' is the same as before.

Over Time:

If somebody does the work for a longer time beyond the hours of the working day, that additional time is 'over time'. In short, it is called 'O.T.'. There would be a stipulation that higher price has to be paid for O.T. hours of work than normal 'price of labour'. If a somewhat higher price is paid for O.T., it appears as though the 'surplus value' yielded by that labour has somewhat gone down. But it is not true on the whole. If the workers of each shift are set apart specifically for that shift and made to work without O.T., then certain types of expenses are incurred more in relation to all those workers. But when a smaller number of workers are made to work on O.T. basis, the capitalist finds the O.T. method itself 'profitable' on the whole even if he has to pay a little more on O.T.s. The capitalist follows such a method, which is more profitable. No capitalist would have followed the O.T. system if O.T. system is not profitable, and if it is more profitable to get the work done by a larger number of workers without O.T. Capitalists do not follow a less-profit-yielding system when there is a more-profit-yielding one. Therefore, if the capitalist has opted for a particular method when there are two methods before him, the workers can conclude, with no second thought, that it is an anti-workers system.

Part Time:

A 'full time' job is one where work is performed in all the hours of the working day and full wage is received for the work. It is a 'part time' job when work is done only for some hours and the wage is received only for those hours of work. Workers are prepared for part time jobs only when they can't get full time jobs.

Part time workers are also found with a capitalist besides full time workers. A capitalist tells a worker before giving him a part time job thus: "All others are paying 5 wage for 10 hours' work of this kind. Which means, it comes to half a rupee per hour. I too will pay like that. There is no need to do 10 hours of work for me. 6 hours' work is enough. I will pay 3 rupees for it. What do you say?"

What can the worker say to this great logical skill? The worker came for this job only because he could not get a full time job; isn't it? The worker convinces himself thus" "6 hours of work has to fetch only 3 wages if 10 hours of work fetches 5; isn't it? This fellow says he would give a fair wage". But workers cannot realise the 'unfairness' hidden in that 'fairness'.

How is the calculation that 'half a rupee wage per 1 hour's work' arrived at? On the basis of '5 wage for 10 hours of work'. How was the calculation that '5 wage for 10 hours' work' arrived at? From the fact that means of subsistence with a value of 5 are required daily for that labour power. Which means, the worker should have an opportunity to earn a minimum of 5 wage in order to have the labour power daily. The worker does not simply produce the value of his wage only. Along with it, he also produces 'surplus value'. In this example, the worker produces 5 value for his daily wage and another 5 value for the capitalist (if the rate of surplus value is taken as 100%); that is, 10 value in 10 hours. Due to that, 1 hour's work acquires 1 rupee value. Out of it, one half becomes the wage and another half becomes the surplus value. 1 hour's wage becomes half-a-rupee only when all those conditions are properly fulfilled. Which means, when the capitalist gives an opportunity to the worker to do full time job, it amounts to giving an opportunity to the worker to earn the 'full value of the labour power' (5 wage). It also means that the capitalist, while giving such an opportunity to the worker, is securing 100% surplus value through that worker.

But what will happen when only part time work and not full time work is given to the same worker?

The period of part time work is 6 hours. The value of that labour is Rs.6 at the rate of Re.1 per hour. Which means, the capitalist gets Rs.6 through that labour. What will the capitalist do then? Will he give away 5 out of 6 as wage and retain the remaining 1? —No! He won't do so. He would count the worker's wage as half a rupee per hour, pays the worker only Rs.3 for 6 hours and pockets the remaining Rs.3. It follows that the

capitalist secures through the part time job the same rate of surplus value (100%) which he secures when he offers full time job. Viewed from the side of the capitalist, he would not lose anything due to part time jobs.

But what will happen in the case of workers? Owing to the part time jobs, workers will lose surplus value without an opportunity to earn the full value of labour power.

In this example, the 3 wage, which the worker earns through part time work, will not be adequate as 'the value of labour power'. In fact, even in this example, the worker produced 6 value by working for 6 hours. Yet the whole of it is not his. He would get only half of it. It would not be enough for the next day's labour power. The worker would be able to earn the full value of labour power if he does a full time job; that is if he has an opportunity to work for 10hrs. and receive 5 wage out of it.

The worker needs the same amount of labour power either to do a full time work or part timework.

Like the full time worker, the part time worker too gives surplus value. For the capitalist, the rate of surplus value in both the examples will be the same.

However, in the example of a part time job, the capitalist takes the 'labour power' from the worker without giving him an opportunity to earn the full value of labour power.

How is it possible for the part time worker to reproduce his labour power in the absence of full wage? This may happen in 2 ways.

1) That worker may do part time work at 2 or 3 places and earn the value of labour power. If this is the case, none of the capitalists who gave jobs to the worker is responsible for the worker's earning the value of labour power. In this example too, each capitalist earns surplus value.

2) The part time worker, though he does not get full wage, may secure the value of labour power by sharing some portion of the necessaries of life of his family members who do a full time job. The full time worker can earn the whole value (his whole wage) necessary for his subsistence from his own labour without begging from others. There is such scope for the part time worker.

While the capitalist who offers full time work gives his worker an opportunity to reproduce the labour power and earns half of 1 hour labour as surplus labour from the worker, the capitalist who offers part time

work earns, like the capitalist who offered full time work, half an hour's surplus labour from each hour's work without giving the worker an opportunity to reproduce the labour power.

Like the O.T. system, the capitalist follows this 'part time' system also for some profit or the other.

Getting 5 wage for 10 hours' work in a 'full time' job and getting half a rupee for 1 hour's work in a 'part time' job appear to be one and the same! Both are same if seen in terms only of 'numerals'. But, the two are not the same if seen in terms of the conditions concerning the subsistence of a living person.

When there is no scope for full work and full wage that is necessary for the 'reproduction of the worker's labour power', such calculations as '1 rupee is the value of 1 hour's work; out of that half is necessary labour and half is surplus labour"—become meaningless. **That is, all the calculations concerning full time work will become irrelevant to part time work.**

All the forms in which capitalists employ workers on the basis of hours or days or part of a day appear to be the forms related to the 'time wage' only; but there won't be security of employment to the workers if, instead of a fixed job, they are taken into temporary employment either for a day or part of the day. There won't be guarantee of securing the necessaries of life. On account of these methods, workers who render labour are subjected to heightened anxiety every moment. They can't feel secure even when they are having work because of the fear of losing the work at any moment.

(2) Piece Wage:

All means of production belong to capitalists only. The production done by workers is measured by certain 'pieces' (parts) and workers are paid at a 'certain rate' per piece. A piece is calculated differently in different kinds of labour. It may be making of 1 chair in chair-making work. In weaving work, 1 piece may mean the weaving of 10 meters of cloth. In the work of building a wall, 1 piece may mean building of 60 cubic feet of wall. In the work of driving buses, 1 piece may mean driving a bus for 100 kilometers. 'Piece' thus implies different kinds of calculation in different kinds of labour.

'How is piece rate determined? What change takes place in the piece-rate when productivity increases? Which is good for the working class: time-wage or piece-wage?' We will now see these questions.

Whether workers work by way of time wage or piece wage, the value of labour power as well as surplus value will have to come only from what they produce. Which means, even in the piece wage what the worker gets from the pieces made by him is only the value of labour power. It is an incontrovertible general principle that wage constitutes only the value of labour power, whatever may be the form in which wage is received.

A working day is of 10 hours. (There won't be a working day of 10 hours where the shift system prevails. But, in order to make our example simple, we suppose that the working day consists of 10 hours. We can understand an 8-hour working day too in terms of the aspects of this example).

Working day is 10 hours. Value of labour-power is Rs.5. Let us suppose that, based on the productivity prevailing here, a worker can generally make 10 pieces in a working day (that is, 10 hours). That is, in this example, the worker should get 5 as the value of labour power only by making 10 pieces. That is, the rate for making each piece will be half a rupee.

Take any labour, there will be a general calculation for the pieces produced in a working day. That value of labour power too will have a general calculation. Those two things form the piece rate pertaining to that labour.

The formula of the piece rate + value of labour-power/number of average pieces.

In this example, the piece rate is half a rupee. This is the wage or income for making a piece. According to this calculation, a larger number of pieces get more income while the worker who makes a smaller number of pieces gets less. And the worker who makes neither more nor less but an average (general) number of pieces gets only the normal value of labour power.

In this example, the wages for making a piece is half a rupee. Let us here suppose that the rate of surplus value is 100%. That is, a worker adds a value of 1 rupee to 1 piece by means of his labour. The total value of that piece will be much more since the value of the means of production

is also included in it. But the total value of a piece is not relevant here. What is relevant here is the rupee that is added to 1 piece through the living labour of the worker. The capitalist sells 1 piece, pays to the worker half a rupee from out of the value of one rupee that the worker had added to it, and takes the other half for himself. If we see all the 10 pieces like this, wage from 10 pieces is Rs.5 and surplus value is Rs.5.

When we speak of a piece, it includes the value of the means of production and the value of living labour. But as the value of means of production is not relevant here, let us leave it aside and consider the portion of the living labour only.

We supposed that the value of living labour present in 1 piece is— 1 rupee. Therefore, let us consider the portion having a value of 1 rupee as 1 piece. Which means, henceforth, 1 piece implies that it does not include the portion of means of production but includes only the portion of living labour.

Value of the labour of the worker is 10 rupees. That is, 10 pieces. Out of it, wage consists of 5 pieces and surplus production consists of 5 pieces.

Let us suppose that the productivity has changed now in all the branches including branch of gold production. Let us say that the new productivity is such that the new productivity is such that the previous productivity which produced 10 pieces in a day working day. The labour that made 20 pieces now will have the same value as the labour that made 10 pieces in the past. It involves only one working day (10 hours) then as well as now.

Now the piece value becomes half.

But now the money value also becomes half.

As the piece value and money value also became half, the value of piece remains 1 rupee now also.

In the past, 1 piece (1 hour labour) = 1 rupee (1 hour labour).
Now 2 pieces (1 hour labour) = 2 rupees (1 hour labour).
Now 1 piece ($^1/_2$ hour labour) = 1 rupee ($^1/_2$ hour labour).

Now also the working day is of 10 hours only.

But now its value is 20 rupees. Rs.20 now possesses the value possessed by Rs.10 in the past.

The value of each hour is 2 rupees (2 pieces).

Then how much is the piece rate now? That is, what is the wage for

1 piece?

When we divide 1-day wage by the number of pieces, we get the piece rate. Then how much is the wage of 1 day now?

'Wage' means 'value of labour power'.

In the past, value of labour power is—5 pieces. In the new productivity, the value of labour power should increase a little bit. Therefore, let us suppose that the value of the present labour power at present is 7 pieces. That is, Rs.7.

The worker should get Rs.7 in 1 working day through a total of 20 pieces.

$$\text{Rate of 1 piece} = \frac{\text{Rs.7 wage}}{\text{20 pieces}} = 35 \text{ paise.}$$

If the worker makes 20 pieces at the rate of 35 paise for 1 piece, he would get Rs.7. That is the wage of 1 working day.

If we deduct the wage of a piece from its value (that is from 1 rupee), what remains is its surplus value.

Surplus value from 1 piece = 65 paise.

$$\text{Surplus value from 20 pieces} = \frac{20 \times 65}{100} = \text{Rs.13.}$$

The value of 20 pieces which 1 worker makes in 1 working day is Rs.20. If he deducts 7 wage from it, the surplus value will be 13.

In the past the wage was 5. Surplus value was 5. The rate of surplus value was 100%. Now the wage is Rs.7 and the surplus value is 13. The rate of surplus value is 186%.

Similarly, if we see some more examples where the social productivity has further risen, the number of pieces in a working day will increase and the piece rate will decrease as the productivity goes on increasing.

'Wage' will also increase. But it will constitute the value of new labour power only.

Surplus value will rise higher than the wage. Which means, the fact that the degree of exploitation goes up if productivity increases will remain the same either in time wag e or in the piece wage.

The worker cannot earn the value of labour power if he does not make all the required pieces in 1 working day. Therefore, production in this system too will inevitably be according to average time only. The fact regarding the level of productivity in a particular labour becomes precisely evident in the piece wage system only.

'Value' is always related to 'time'. The rate for making 2 pieces will be twice that of making 1 piece. It is because the time taken for making 2 pieces is twice that of making 1 piece. Which means, even in the case of piece rate, value is determined by the labour time taken for the production. Whether it is in time wage or in piece wage, the value is nothing but labour time. Therefore, **'piece wage' is simply another form of 'time wage'.**

However, in spite of the fact that the essence of those 2 systems is the same, the piece wage system is more favourable to the capitalist for the following reasons.

In 'time wage'	In 'piece wage'
1) Wage should be paid whether the worker does the work with or without sense of responsibility. There need to be employees who control the workers so that they do the job properly. The capitalist will necessarily incur expenditure on the functions of control.	1) As it is not possible in ½the piece wage system for ½the workers to earn the value of labour power if they fail to make the required number of pieces in 1 working day, they work on their own responsibility. There won't be much need for supervision over the workers. The capitalist will, therefore, save some expenses on the functions of control.
2) Workers may not take care of the 'quality' since they get their wage irrespective of whether they do the 'quality' work or not. In this aspect too, there has to be 'control'.	2) The capitalist will cut the amount payable to the pieces if their quality is not up to the mark. Hence, the worker himself will have to take care of the quality. Hence, there won't be expenditure on the function of control.

3) In the time wage, more work than what should be done generally, is not done. Means of production will not be exhausted quickly.	3) There will be more income if the worker makes a greater number of pieces. Hence, the means of production of the capitalist will be consumed fast. The capital invested on fixed means will come back quickly.
4) Let there be any number of differences among the workers but their incomes will be uniform. Hence, there won't be a scope for feeling of jealousy and hatred among the workers. This is 'politically' very disadvantageous to the capitalist.	4) As the capabilities of workers are necessarily different, there will necessarily be differences in the 'work' of workers. Which means, there will be differences among their incomes. Hence, competition, conflict and personal jealousies will exist among workers. This will damage the unity of workers. Which means, it will damage the collective capacity of the workers to struggle against the capitalist. This is 'politically' much advantageous to the capitalist.

Thus, for the capitalist, the piece wage system is more advantageous than the time wage system. If there is something which is advantageous to the capitalist, that would be by implication, harmful to the workers.

There are some more specific disadvantages that fall on workers due to the piece wage system. As the workers work by intensifying labour, their health will be ruined quickly. As the income depends on how physically active the worker is, there necessarily arise differences between the incomes of young aged workers and old workers. Old people will not have any value in the view of workers as well.

If the means of production or raw materials do not possess quality, the work of workers will proceed slowly however careful they may be in their work. The number of things being produced will decrease. However, the capitalist will incur this loss, if it is time wage. Workers will not have anything to lose. But this loss will fall on the heads of the workers if it is piece wage. Not providing good means of production is, in fact, the fault of the capitalist. But in the piece wage, it is the workers who have to face that loss. —In this manner, piece wage system will be harmful in many ways to the worker.

But piece wage appears to be better than time wage for those workers who work with 'care'. This has to be seen in a little detail.

If some of the workers work more than the average, others work less than the average. Those 'doing less work' may be divided into 2 kinds. The first kind of people are those who perform less work due to either characteristic 'dull nature' or due to certain types of ill-health or due to old age. The second type is composed of those who perform less work by evading the work, even though conditions are quite all right and yet eventually they have the ability and capacity to do work. These two kinds of people pose problems to those workers who work carefully. Let us now see as to what happens in 'time wage' and in 'piece wage' with regard to these two types of people.

Working day is of 10 hours. The value that the worker gives in those 10 hours (on an average) is Rs.10. Wage is 5. Surplus value is 5. Rate of surplus value is 100%.

All these details should be like this either in 'time wage' or in 'piece wage'. Time wage and piece wage are only the differences in the ways of giving wages but not the differences in the methods of production. Therefore, in whichever way the wages are given, the total value produced, the total wages and the surplus value that remains at the end—all will be the same.

We have to take one active worker and one dull worker and see the issues.

Let us suppose that in 1 working day, the active worker does labour of 11 value and the dull worker does labour of 9 value. They carry out their labour as usual, whatever may be the form of giving the wages. The active worker does his work actively in any system of wages. The dull worker does his work slowly in any system of wages. The bodily activeness and dullness won't change depending upon the manner of giving the wages.

According to 'time wage':

The value given by the active worker in a working day is 11. His wage is 5. Surplus value from him is 6.

The value given by the dull worker is 9. His wage is 5. Surplus value from him is 4.

Wages for both the workers taken together ... 5+5=10.

Surplus value given by both the workers ..... 6+4=10.

The rate of surplus value ..... 100%.

Both the workers received 'the value of labour power' in the same manner (5 wage). But the capitalist got more surplus value from the active worker and less surplus value from the dull worker.

If we see the value calculations concerning each worker separately, the surplus value that came from the first worker is more than 100%. The surplus value that came from the second worker is less than 100%. It became 100% only when the surpluses of the two workers are added.

According to the piece wage:

We should suppose that all the value factors are present in the time wage. Working day is of 10 hours. Its value is 10 rupees. The average number of pieces to be done by 1 worker is 10. Which means, the value that adds to 1 piece through the worker's labour is 1 rupee. The rate of a piece is $^1/_2$ rupee. It means that in the 1 rupee value added by the worker to the piece, half is the wage and half is the surplus value. Here also the rate of surplus value is 100%.

Let us suppose that an active worker makes 11 pieces in a working day. As per the piece rate, he gets a wage of $5^1/_2$; the surplus value that he loses is $5^1/_2$.

Let us suppose that the dull worker makes 9 pieces. The wage that he gets as per the piece rate is $4^1/_2$. The surplus value that goes away from him is $4^1/_2$.

The total wages of the two workers ..... $5^1/_2+4^1/_2=10$.

The total surplus value of the two workers..... $5^1/_2+4^1/_2=10$.

Even now the rate of surplus value is 100%.

The rate of surplus value is the same to the capitalist either in the time wage or in the piece wage. But what has happened in the case of time wage workers? What has happened in the case of piece wage workers?

The workers do the same labour in both the systems. The difference between the time wage and the piece wage is only in the form of taking wages.

For the 1st worker:

In time wage, wage is — 5. Surplus value is — 6.

In piece wage, wage is — $5^1/_2$. Surplus value is — $5^1/_2$.

It means that in the piece wage, wage has increased by $^1/_2$ and surplus value has decreased by $^1/_2$. This worker received the value of labour power only in the time wage, but received little more than the value of labour power in the piece wage. That is why piece wage appears to be good to this worker.

For the 2nd worker:

In time wage, wage is — 5. Surplus value is — 4.

In piece wage, wage is — $4^1/_2$. Surplus value is — $4^1/_2$.

It means, this worker receives value of labour power in time wage, but does not receive it fully in piece wage.

But seeing these 2 systems, the active worker says thus: "He does not work actively like me. What justice is it if the active workers and the dull workers as well get the wage alike? They should get their wage according to their work. Therefore, piece wage is more just than the time wage.

It means that the active worker thinks that he alone has worked hard and that the dull worker has not done even that much work for which he can take 5 wage.

But what is the actual fact?

The dull worker, however dully he might have worked, also did the work of 9 value. If he gets the entire value of his labour, there would be no maintenance problem for him.

But it does not so happen that the worker could get the entire value of his labour either in time wage or in the piece wage. However, in the piece wage, the worker would at least get the value of labour power. In the time wage, after the worker receives 5 as wage, the remaining 4 goes to the capitalist. But in the piece wage, according to this example, the worker won't get even the value of labour power due to piece rate calculation. He would get $4^1/_2$ only. Observing this, the active worker feels contented. He thinks "a reduction in the wage of a dull worker is justified". That is, he thinks that the dull worker has not done even that much work for which he can receive '5 wage'.

The time wage, which gives the value of labour power to both the workers, seems to be an unjust system for the active worker. The piece wage, which increases his income by $^1/_2$ rupee, seems to be just, even if it reduces $^1/_2$ rupee income of the second worker.

If the active worker finds the piece wage as justified because it increases $^1/_2$ rupee income for him, what about the '$5^1/_2$ surplus value' which the active worker loses and the capitalist gets in the same piece wage system? What about that 'injustice'?

Further, what about the $4^1/_2$ surplus value, which the dull worker loses and the capitalist gets in the piece wage system? What about that 'injustice'?

Now if the examples of a worker who works devotedly and the worker who 'evades work' are taken, this example also is like the example of 'active versus dull' workers.

The worker who evades work, however much he may evade the work, does not refrain from coming to the work place and does not refrain from doing shift duties (unless he changes as the stooge of the capitalist and evades work with his permission).

Let us suppose that in a working day, the work-evading worker does only the labour valued 6 in the place where 10 valued labour has to be done on an average. Let us suppose the wage to be 5.

In time wage—the work evading worker receives 5 wage and only 1 remains for the capitalist.

In piece wage, let us suppose that this worker makes only 6 pieces. In this way also, the value of the labour of this worker is 6. But as per the piece wage, this worker receives only 3, and 3 goes to the capitalist. If this worker receives the entire value of his labour, there won't be any maintenance problem for him.

But the worker who does the work with a sense of responsibility, seeing the worker who does not do the work with a sense of responsibility, feels that it is just if that irresponsible worker gets 3 wage as per the piece wage instead of getting 5 wage as per the time wage. He feels thus: "Same wage to those who work with a sense of responsibility and to those who do not work with a sense of responsibility? What is this justice?" But the irresponsible worker too does some work or the other. He loses some

amount of surplus value. What about the surplus value which that worker too loses? What justice is it if the capitalist snatches his surplus value?

If we assume that the work-evading worker did not do so much that he gives surplus value, he is obliged to do so much work, which is equivalent to the 'wage'. Such a worker (who does so much work, which is equivalent to the wage) is justified in receiving the 'wage'.

If there is a worker who does not do even so much work, which is equivalent to the wage and if, the capitalist is tolerating such a person, the reasons for that would be different. It is not possible to consider such a worker as an average worker.

Workers do not know anything about the value-related aspects of time wage and piece wage.

To the active workers and responsible workers, piece wage alone seems to be the good system because they can have more income in it. It is a fact if the personal incomes available through the piece wage alone are considered. It appears like that if the things are seen superficially.

But many facts will be clear if the base called 'exploitation' is understood. It will be clear that the dull worker and the irresponsible workers also do labour more than their wages and lose some amount of surplus value.

If the workers who think that "all persons getting wages alike is unjust" understand the phenomenon of exploitation, they will be able to understand that 'exploitation itself is a big injustice!'

Time wage guarantees the 'value of labour power' to all the workers. That won't happen in piece wage. Therefore, though there is scope in piece wage for some workers getting more income, those workers have to refuse the piece wage system in the interest of the other workers. That is 'labour justice'.

While the time wage increases the unity among the workers, piece wage causes disunity. Therefore, the phenomenon of 'exploitation' should be considered as the main problem instead of the question of 'piece wage vs. time wage'. The workers can secure all that goes to the capitalist if they can come out of exploitation.

Therefore the inactive and irresponsible workers are not the enemies of active and responsible workers. The exploiter is the main foe to all the workers.

The question whether time wage is good or piece wage is good is one that should be treated, keeping in view the working class and the capitalist class and not certain differences within the working class. The piece wage system that favours the capitalist class is totally opposed to the interests of the working class. There are many disadvantages for workers on account of it. The main disadvantage is that it destroys the 'unity' of the workers. Even though the reward for the 'responsibility' of the responsible workers does not reach them in time wage in the form of more money, they receive it in the form of working class consciousness. That reward which they do not receive in the form of money, they receive it in the form of working class consciousness. It leads to the emancipation of the working class. Therefore, class-conscious workers would not at all favour the piece wage system keeping only their incomes in view.

The capitalists always try to win the workers in favour of piece wage. They say, 'how is it just that both the workers who worked hard and the workers who worked less should get the same wages? Intelligent workers should opt for piece wage only'. The capitalist too knows of justice and injustice! But he does not see injustice with regard to what he snatches away from workers. But when it comes to the system of paying them wages, he sermonises saying, 'one should get the fruit of one's own labour'. This is a tactic meant to divide the workers.

The definitions which the capitalist gives to 'intelligence' when he says "those workers are 'intelligent' who opt for piece wage" should be rejected by the really intelligent workers without giving a second thought. They should tell the capitalist thus: "Your sermons sound grand. We will 'intelligently' think about whether we should have piece wage or time wage after settling the issue as to whose toil created profits, interests and land rent which you are appropriating; and as to who are genuinely entitled to all those things".

There might be a number of variations in the time wage and piece wage system, which we have seen so far here. At times both might be prevalent: time wage to a certain extent and then piece wage in regard to the production made in excess of it. Those systems exist depending upon the nature of the products that are turned out. Piece wage is not possible in certain types of work carried out on machinery. The entire work there depends upon the speed of the machines and hence either time wage or piece wage will have to be alike. All these systems will be familiar in everyday experience for workers.

Even though there might be several different systems of paying wages in a single country or in several countries, it is only from out of what workers produce that the capitalist must get surplus value. Which means, though there might be any number of differences in the payment of wages, workers should never lose sight of the general principle that wage is simply the value of labour power.

14) What should be the 'natural' length of a working day?

To speak about 'natural' is to speak about the 'new society'. And we will now keep only that new society in view**. Everyone performs labour here.** This is the first 'naturalness'! Now we can see our question. What would be the 'natural' amount of work that every person would do in this society? What should be the natural limit to a working day in this society? 6 hours? 5 hours? 4 hours? How many hours constitute its limit?

The natural limit to a working day is not marked by the calculation of hours but by calculation of 'needs'. Necessity itself is its limit. The natural limit to a working day is that amount of time which is required to produce so much in '1 day' that enables a person to live in health and comfort.

The only responsibility of the human is self-maintenance. Which means, to do labour for one's own sake. Every person should discharge this responsibility.

This responsibility is of 2 parts: (1) to maintain oneself and (2) to share the responsibility in maintaining children, the infirm and the old. **Both these responsibilities come under 'maintaining oneself'.**

Human beings remain as children for a certain period after birth. They will remain as old people in the last stage of life. Between times they remain as 'sick people'. In all these 3 stages human beings cannot perform 'work' and others have to maintain them in these stages. That is why every person, during the period when he performs labour, should share the responsibility of maintaining those that are found in these two stages.

'Childhood'—the stage when no labour is performed. Old age too—the stage when no labour is performed. In between the two lies the stage when labour is performed. A person who is in the stage of performing labour gives back to the society what he has taken from it when he was a

child (by sharing the responsibility of maintaining children in the society while he is in the stage of performing labour). Similarly, he gives to society what he is likely to take from it in his old age (by sharing the responsibility of maintaining the old in the society while he is in the stage of performing labour). In other words, a person, while he is performing labour, renders labour that is necessary for his maintenance during those two stages in which he cannot do labour. **Which means, that every person maintains himself/herself in childhood as well as old age.** Though it may appear that others are maintaining a person in childhood and in old age, but in fact one is not maintaining another. This means that each one is maintaining only himself/herself.

But this maintenance of one's own self does not take place individually and separately for each person. It takes place by means of the link-like relationships among people linking various stages of life. If those persons, who are in the stage of performing labour, maintain themselves as well as the old people and the children, those children grow up and do the same. The essence of it is that each person is maintaining himself.

Parents maintaining their children and children maintaining their aged parents—these features do not change even in the 'new society'. What changes, however, is that 'society' too becomes an institution that assumes the responsibility in these matters of 'maintenance'.

As the new society has certain obligations in the matter of maintenance, it should have a 'social fund' to be utilised for 'collective needs'. Every person who is in the stage of performing labour will have to allot a certain portion of his labour to society. This allotted portion is not something that is freely given away for the sake of 'someone' but it constitutes a portion of what maintains that person in childhood and the old age.

The activities that are conducted by the society are all related to this maintenance. However various those activities may be, their aim is maintenance only. Therefore, even **the portion, which an individual allots from his her labour in favour of society, is the part, which becomes necessary for himself/herself.** Hence, the natural limit to a working day is to perform that much of work, which is necessary for maintaining oneself, and for giving away to society.

A natural limit to the working day in a given society depends upon certain conditions. (1) There should be no exploitation, (2) Means of production should be employed collectively in accordance with a 'social plan'. (3) There should be no sales and purchases, (4) There should not be any unnecessary products that are of no use to human life, (5) There should not be any products that are artificial, luxurious and unhealthy, (6) There should be products that are necessary for cleanliness and leisure. If an account is thus made of what ought to be produced and what ought not to be produced, the present working day will be shortened in the case of certain products and it will increase again in the case of certain others.

We will see these things here in brief and will see some of them in little more detail again on other occasions.

(1) There should be no exploitation :

In a capitalist working day, a person gets only one-tenth or one-twentieth or one-thirtieth of what he produces and all the rest goes to exploiters. When these relations of exploitation are overthrown, a person would get what all he produces. When there would be no portion of his labour that goes to others, there would be no need for a person to work as much as he is now doing everyday. But in the new working day it is not possible for the worker to stop performing the amount of surplus labour, which he performs in the capitalist working day. Because, the part of production which a worker now uses as wages is very little. Workers are now found in dire poverty. Many more products are required for the workers if they are to get out of the poverty, to acquire proficiency in education and arts, to live happily and comfortably. It means that the part of the working day, which we consider in the capitalist working day as 'necessary labour time', will have to become still longer. Which means, a large part of what is surplus labour at present will then become necessary labour.

Let us suppose that a capitalist working day is 8 hours, out of it necessary labour time is 2 hours, and surplus labour time is 6 hours. Let us suppose that the new society commenced in such a situation as this and all persons started working.

Let us consider the same person who was a worker in the past. Is it enough if that person now performs 2 hours' labour only? Can he stop doing 6 hours' labour? —That is not possible. 2 hours' labour is enough only to live in poverty but not enough to live healthily and comfortably.

Therefore, he has to perform labour more than 2 hours and use those products as well. That is, let us suppose that a total of 6 hours labour is now necessary. Let us also suppose that 1-hour of labour should be allotted to the 'social fund'. Here, the entire 6 hours' labour will become 'necessary labour'. Here there won't be any surplus labour (that is, the labour that goes to others).

According to the examples that we considered, the capitalist working day is of 8 hours. It consists of 2 hours of necessary time and 6 hours of surplus time.

The working day of the new society consists a total of 6 hours. The whole of it is necessary time. There won't be surplus time.

A portion consisting of 4 hours out of the 6 hours of surplus labour in the capitalist working day has now (in the new society) changed into a part of necessary labour. The remaining 2 hours' labour need not be performed. Which means, the length of the working day has now decreased.

But the factors, which we will see later, will shorten the working day quite considerably.

Men and women belonging to the exploiting class in the capitalist society do not perform any labour; isn't it? But we assume that this class would also get down to work in the new society (not that they themselves get down, but that we will make them get down!)

In the capitalist society, even within the working class, children of the manual workers alone would perform labour. In other sections, the children do not get down to work until they attain the age of nearly twenty-five or so. But we assume that, in the new society, children would perform light labour every day from seven or eight years of age onwards. To what extent the present working day, which is filled with surplus labour, would become short—is left to one's own imagination—when the entire population get down to work and everyone works for his own sake.

(2) Social plan :

It becomes possible to organise everything in the society by means of collective plans under conditions where there is no 'private ownership' for separate individuals or families over means of production such as land, mines and other places of production. Consequently, all the unnecessary labour of the present day can be saved. (We will deal with

this 'social plan' in detail in the chapter on 'Expansion of Capital' in the next volume). The capitalist mode of production is a mode of production of individual property owners. Therefore it goes on misusing labour power and means of production on a large scale on account of its anarchic competition however much each capitalist might strive to economise. When capitalism is eliminated, it becomes possible to work on a large but a requisite scale with the instruments as good as possible instead of keeping the labour processes separate. This would create conditions that are necessary for making use of 'labour' effectively and sparingly. The result is a reduction of labour time for society as a whole.

In a society where there is no private property, a situation won't arise where scientific knowledge is kept secret. At present the capitalists do not furnish the scientific knowledge that they acquire among each other. It is because, if everyone comes to know of them, all of them will have a similar commodity produced in the same way and sell it. A capitalist who gets hold of these scientific matters from his scientists keeps them secret under his own control. Another capitalist will have to devote that much time and money to acquire this knowledge which one had acquired already. A third capitalist will have to do the same thing. Unimaginable amounts of expenditure are incurred in the exploitative society on account of these scientific researches, as those researches have to be conducted afresh again and again in order to know already known things. When there is no 'private property', there is no need for anyone to conceal scientific knowledge and to gain profit from it. Conditions will then be created for unhindered 'utilisation of productivity' and there will be considerable reduction of labour that is necessary for society as a whole.

(3) There should be no sales and purchases :

It is quite possible to make use of products without sales and purchases. Sales and purchases are not 'natural' needs. Society always requires, besides a 'process of production', a process of distribution. However that (process of distribution) need not take place through 'trade' that organises 'exchanges' (We will see this point in detail in the chapter 'costs of circulation, in the next volume'). Producing what can be produced in a particular area, taking it to all the areas wherever it is necessary and making use of it without exchanges—these changes are not possible in a capitalist society because that product happens to be the private product belonging either to an individual or to a family. The entire product in society thus belongs to separate individuals. In such a system, no other

way is open except selling and buying one's product to another if every member of society is to receive those products. 'Trade' becomes obligatory to organise the exchange of products only because of the 'system of private property'. A large part of the population in the society will thus have to spend their labour in these trade transactions. All this is a meaningless and fruitless labour going on in society. **When trade is no longer there in society the labour spent on it will be diverted to other activities. Consequently, the labour time that has to be spent by society will get reduced.**

(4) There should not be unnecessary products :

Police, jails, courts and other departments become superfluous after relations based on 'equality' are established among human beings in the place of relations based on exploitation. Along with those departments, the army too is found in exploitative societies. There would be armament-production. All these departments function, on the one hand, to suppress the workers' uprisings and on the other hand, to settle by means of wars, conflicts that arise in grabbing surplus value within the exploiting class itself (in the world exploiting class). By means of its exploitation and its anarchic competition, capitalism misuses on an imaginably large scale the abundant labour power and means of production existing in society. Each and every country that is based on exploitation is obliged to spend a very large part of its total 'labour' on armaments and on armies. When this condition changes and when all those employed in the police, jails, courts, army and other departments come over to 'natural' duties it is not possible even to imagine how much labour would become reduced for the society.

When there are conditions in which the human being has, right from birth, nutritious food, clean homes, adequate leisure time and mental well-being, there will no longer be any need for so many hospitals, mental asylums and medicines as there are at present. 99 percent of these diseases will not be there then. What sorts of labour are necessary for society and what other sorts are unnecessary can be grasped if every matter is thought in this view.

(5) There should not be any products that are artificial, luxurious and unhealthy :

Various kinds of articles and materials are required in everyday life. Of these, there seems to be a natural limit to food and no such limit

to the other needs. It appears as if more food than a bellyful is not necessary but any number of clothes, chairs and shoes are necessary. But it is totally wrong. Seen from the perspective of use value, every need will have a natural limit.

Even if a person has 100 shirts, he can put on only one shirt at a time but not 5 shirts or at least 2 shirts. If he has one shirt on his body, the other 99 shirts must be outside. The same is true of shoes. The same is true of chairs. The same is true of every use value. Even if we imagine new human beings who take bathe twice a day and change their clothes twice a day, even then 10 pairs of clothes are too many. Unless the unwashed clothes are dumped like filth for three months, a person would never require 100 clothes. Not even 15 are required. If the number of clothes go up, the matter does not rest with clothes. Suitcases and almirahs will be required to keep them. If the number of clothes becomes double, suitcases should also double. The raw materials and other means of production required for those suitcases should also be doubled. Buses and trains should also be doubled for their transport. Thus every type of use value will have to be produced many times more. **People in the capitalist society, prompted purely by considerations of 'pomp', acquire so many things, which they do not naturally require.** The basis for the 'pomp'/ 'grandeur' is the society marked by distinctions of rich and poor. If considerations of 'natural need' are given up in the matter of using product. There will be an 'unnatural' basis and not a 'natural' basis as to what things and how many things are necessary for a human being in the daily life.

Let us suppose that the population of the whole world requires one thousand litres of milk a day and that this estimate is enough to cover their entire daily needs pertaining to milk. In such a case, why should more milk be produced in a day than one thousand litres? What will we do by producing it? —We cannot do anything. Therefore we have to plan in such a way that milk is produced to the extent of one thousand litres per day only. And we have to necessarily stop the further production of milk. **Production should be according to wants but the needs should not be according to the production.** Here we have taken the whole world as an example only in order to understand the point in a general way.

If we take a country as an example, let us suppose that 100 litres of milk is enough (for all requirements) a day for its people. Let us also

suppose that the said country is living in a new system. Let us also suppose that exploitative policies are in force in many countries existing outside this country. In such a context, the responsibility of that county is not only to enable its own people live happily but also to assist the working people living in those exploitative countries, in building new societies. That country will have that responsibility also. This assistance has to be provided not simply in 'words' but also in 'deeds'. It requires many kinds of products. Then it is not possible for that country to keep the wants of its own population as the limit of its production. However, keeping these special occasions also in view, what should be generally understood is that a society does not require more than its natural needs.

We will now see what products should not be there in society.

'Adulterated' products:

Every commodity is 'adulterated' in capitalist society. Small stones are specially manufactured to mix with rice. In manufacturing those stones, certain means of production and some living labour are consumed. If we suppose that in 10 tons of rice, there is a gunny bag of rubbish and stones, it too should be transported together with the rice at the time of transporting that 10 tons of rice. Some more means of production and living labour have to be expended in order to isolate stones and rubbish from the rice at the time of using it. All this labour that is done at different stages for 'adulteration' is totally a 'waste labour'.

It is not possible to separate the adulterations from all commodities as stones are separated from rice. Doctors and medicines will be required as people's health suffers on account of adulteration of medicines and those medicines again are adulterated medicines.

Adulteration depends upon the nature of the commodity. If it is foodstuffs, it is adulterated with rubbish! If it is clothes, it is such an adulteration that makes them glassy only so long as they are in shops but makes them useless as soon as they begin to be used! If it is magazines, it is an adulteration with obscene pieces of writing, pornographic pictures etc.! If it is films, it is an adulteration with crooked, false and vulgar stuff—thus, there can be no commodity in capitalist society that is not adulterated. Capitalists know quite well all the tricks of trade pertaining to the science of adulteration, namely, how to adulterate each commodity, what 'shit' suits what commodity. They call it the 'clever organisation of industries'.

When the means of production and living labour that are consumed for the sake of 'adulteration' in society as a whole are calculated, this entire expenditure is all a colossal waste for society! It is needless to speak about physical and mental ill health as a result of adulteration. The adulteration is an external symbol of the deceitful relations existing in society. When, in a society we see a small white stone, manufactured in a special way, in 'rice', we can immediately say without hesitation that it is a 'capitalist society'. Had it not been a capitalist society, such a production of stones would not have been there. It may not be necessary to conclude, on seeing no such stones in rice, that it is not a capitalist society but one should arrive at such a conclusion on seeing such stones mixed with rice.

Adulteration is a very special characteristic of capitalist society. This was not widespread in the past societies. In every museum of the new society, where there will be no adulteration, a separate section should be set up under the label 'talents and genius of adulterating capitalist scientists and engineers'. In that section, each shelf in the showcases should be set apart for a particular skill in adulteration with a note as follows: 'In capitalist society, they used to mix these kinds of stones in rice! They used to mix this kind of brick powder in chilly powder! They use to mix this type of saw-dust in medicines". Thus arrangement should be made so that the future generations could see the imaginative capabilities of capitalist intellectuals and the industrial cleverness of capitalist producers. Does this mean that some expenditure has to be incurred in the 'new society' also for the sake of such samples of adulteration? We can't help! This too forms part of the expense incurred by the new society in order to understand the 'previous history'.

Avoiding 'Wastage'

In capitalist society, a number of articles, which are brand-new, are thrown in a corner for want of repairs. There won't be any interest in repairs in capitalist society as new articles would not be in demand if the older ones were durable for a long while. An article endures for a long while if spare parts are available and if proper repairs are done. Partially broken wooden articles, dumb radio-sets and stopped watches, damaged clothes and unused medicines—a number of things from a pen to a machine can be found lying waste in homes and in work places. They number lakhs and crores over the whole of society even if they still have much 'life'. Which means that a lot of previous 'labour' is lying idle without proper use. New commodities of the capitalist get sold fast only

when the older ones go out of use quickly without being used fully. Always new commodities! Always new clothes! New shoes! New chairs! New varieties in every thing! New fashions! Throwing away old things and always using new ones is a 'great value' in capitalist society. When a new fashion sets in, it changes even before the article is fully consumed. All these changes are only for the sake of selling new commodities. **All this is an attitude devoid of respect for 'labour'. This is an attitude totally favourable to exploitation.** Society would be saving lot of labour by its practice of carefully making use of articles so long as they are durable.

'Competitive' production

Sports competitions, awards, titles and felicitations come under this category. Sports are indeed very much necessary for physical and mental well being. All the expenses incurred on that need are the expenses concerning natural needs only. But that need loses its naturality when an artificial thing called 'competition' intrudes into this natural need. **'Sports' are necessary for human life but 'sports competitions' are not necessary.** If you consider 'running competition', a person who reaches the goal a 'second' earlier than the rest becomes the winner and those that reach it a second later are losers. This one second's time (let's say, one minute) decides the winning or defeat, reputation and fame, and the large quantities of money. How does this 'running capacity' help the person who wins in the race? **When this person wants to go to any village, would he go running?** He or she doesn't. Like others who lost in the competition, he/she too takes either a bus or a train. How then would this ability to run be useful to him/her in life? No natural need is fulfilled by the capacity acquired for the sake of competition since competition is not a natural need. No purpose is served either for himself/herself or for others by the capacity to run which he/she retains by practising running for a certain number of hours a day by eating limitlessly, taking rest for the remaining time, spending time like a strange animal.

Every person who takes part in the competition holds the view thus: "I alone should win and all others should be defeated". That is the very nature of competition. There is no scope there for thinking that "all of us should win and all should be equal"! Happiness for the winners in the competition! Sorrow for the losers! There is no way for all to feel happy. Competition thus turns human beings into selfish, jealous people devoid of collective outlook. If people play casually without the phenomenon of

competition, it does not cause pain to anyone. Whoever wins or whoever is defeated, that winning and defeat do not go beyond the playground.

Capitalist thinkers say that competition is the motive force for human beings to 'develop'. According to this perspective, 'development' only means winning in the competition. Why would one win in the competition? To get recognition and publicity that he is greater than others. They cannot give any other answer than this. They cannot say that sports competitions are 'for the sake of health' or 'for the sake of pleasure'. If it were so, sports can be organised even without competitions. Or let us say that they argue that there won't be any pleasure if sports are played without competitions. It means that such people derive pleasure not from 'sports' but from 'competition'. Thus the capitalist perspective on 'development' is different from that of the labouring class whether it is development of an individual or development of society.

Sports competitions in capitalist society serve as an addictive means to earn money and to keep workers mentally in an intoxicated state. Capitalist government makes use of these competitions to make workers addicted (and also to earn money through them) just as it makes use of intoxicants, lotteries and horse races.

Titles, awards and felicitations too are of this category. A person may have ability and capability in a particular 'art' or in a branch of 'learning'. That person may have good qualities. If those abilities and qualities are made available to society, then society loves that person and respects that person. There will be many natural ways of expressing that love and respect. But it is all superficial exhibition and vain glory only to inscribe either on paper or on medallions to the effect that "This woman is a great singer", or "This man is a very brave person", and for those who receive them to hang those papers and medals on the walls. All such expenses are unnecessary expenses for society.

Expenses arising out of 'superstitions'

All that is spent on account of religious rituals comes under this head. The expenses incurred on temples and the like; expenses incurred on what is believed as good luck and bad luck; expenses on astrology and the superstitious beliefs relating to house building, offerings to godlings, lotteries and all such things. When humankind establishes a collective social life and acquires knowledge of natural science, all this misuse of labour in the matter of superstitions comes to a halt.

Unhealthy products

The products like tobacco, arrack, opium etc., come under this category. These are the needs formed by 'habits'. Society will have to change them gradually as these are not conducive to health.

Luxury products

Horse races, wrestling, rearing of dogs in houses etc., come under this category. These are luxuries that are generated for the sake of ugly mental pleasure of 'gang of exploiters' (we will see some more details in the chapter on 'Expansion of capital' in relation to 'luxury production' in the next volume).

We have divided the 5th item into so many kinds, like unnecessary products, luxury products, adulterated products, unhealthy products, but all these are one and the same in essence. A 'useless' product possesses all these characteristics. The same is an unnecessary product, artificial product, unhealthy product and a product that posses all these characteristics.

(6) There should only be products that are necessary for cleanliness and leisure :

On the one hand, dispensing with unnecessary products constitutes one responsibility and on the other, another responsibility is the provision of those necessary products, which were not there hitherto.

For the sake of cleanliness

If we take only one aspect, namely cleanliness, it can be concluded without hesitation that capitalist society does not spend anything for the sake of 'cleanliness'. As the major portion of the 'working class' exists in poverty, it will be completely unclean. If we take the capitalist class and that section of the working class, which performs higher mental labour, even this part of the population too will not have real cleanliness. We can say this fact since it is the labourers who have to perform all duties pertaining to cleanliness. As there won't be cleanliness in the very lives of those labourers, they do not have a proper idea of cleanliness. **The cleanliness that is brought about by those who know little about it cannot be true cleanliness.** It is, therefore, a sheer illusion that the capitalist class and the section of people who perform higher mental labour lead the life of cleanliness.

If we look at the public places, we will know how much cleanliness capitalists provide to society. Roads, platforms, rail stations, offices, hospitals, hotels, parks, schools, courts, buses, trains, cine theaters and bathrooms and toilets within them, are all unbearably unclean. Whether it be in homes or in a public place, there is uncleanness and filth everywhere in the society! Mosquitoes, flies, cess pools, places where there are no arrangements for drainage, worthless drainage pipes where they exist—these need not be described. The same condition prevails even in big cities, which are reputed for their 'civilisation'. Roads, unlittered with pieces of paper are not themselves the measure of cleanliness. The pollution of air, water and sound on account of industries and the pollution of food, on account of chemical fertilisers and so on, are all channels of supplying filth into the human body. All these problems are related to cleanliness and health.

Crores of human beings must have to labour in these tasks if these conditions are to be made clean and any number of 'means of production' are required to perform these jobs. These are not such jobs, which are required one day and not required another day. The expense on cleanliness does not get reduced after some time in the new society unlike the reduction in number of hospitals. It remains a constant and obligatory expense.

For the sake of leisure

The present meaning of the word 'leisure' is not enough. Just as there should not be work at night, similarly in the new society there should not be any work, other than what is urgently necessary, in the summer months of April and May. Leisure should depend upon the seasons of nature and the natural physical and mental needs. Work should be so planned as to close down all factories in those months just as schools are closed down and vacation is given to the teachers and the pupils.

Thus the total amount of labour necessary for society is determined by such things as what society does and does not require. The total amount of labour necessary for the society will drastically decrease even if any number of unprecedented needs arise, provided we assume that all would work in society and unnatural expenses on commerce and wars will not be there. A drastic decrease in the total labour implies a drastic decrease in the amount of labour that an individual has to perform. Which means a drastic shortening of the 'working day'.

When work exists as a necessary thing and a responsibility, there won't be difficulty even if we have to work longer. When working people are hale and healthy, conditions of work are congenial and 'work' becomes a natural 'necessity', it will be a matter of joy to work in those conditions. There won't be any question whether the work is more or less. Work depending upon necessity! As much work as is needed!

15) Will the working day be of two portions in the new society?

The 'new working day' will also be of 2 parts. But the character of those parts will be totally different. These things have to be seen in a little detail.

'Money' will not be dispensed with as soon as the new society commences. The working day will be of 2 parts before and also after dispensing with money. Let us first see the conditions that exist before dispensing with money. The working day will consist of 2 parts, namely, (1) the portion of wage, and (2) the portion of 'social fund'.

A husband and wife and few of their children (two or three), their old parents—all these together constitute a family. (Let us suppose that these parents are incapacitated to work and they do not have any other children. If they had other children, the responsibility of looking after the parents falls upon all the children. To make our example simple, let us suppose that neither the wife's nor the husband's parents have any other children). All the products required by this family have to be produced by the labour of that husband and the wife. Let us suppose that the wife's labour in 1 day gets a wage of 10 articles and the portion that goes to the 'social fund' from her labour is 3 articles. Let us suppose that the labour of the husband gets a wage of 8 articles and the portion that goes to the 'social fund' from his labour is 2 articles. The total wage of these two people taken together is 18 articles and the portion that goes to the social fund is 5 articles. These 18 articles, which constitute the wage for 1 day must be sufficient for the comfortable living of all the family members and for domestic requirements. The articles that go to the social fund should be enough for the necessaries to be received by these family members from the society.

For what are all the products in the 'social fund' spent?

(1) Society has to run certain institutions 'free', for example, schools and hospitals.

(2) 'Natural' calamities might occur in society now and then. E.g., Cyclone storms, earthquakes etc. It might be possible on those occasions to see that there is no loss of life, but it may not be possible to avoid loss of property. If houses, trees and certain types of polls collapse, they will have to be constructed again.

(3) Accidents might take place now and then. Accidents may not altogether cease in spite of the precautions. Even if an accident does not take place for a period of 10 years, we should be cautious about it that it may occur at any moment.

(4) New scientific researches always become necessary regarding new kinds of diseases and processes of production. 'Social fund' is thus spent on the 'collective needs' relating to the entire society. For whom is all this expense? For the population living in that society. It is the expense spent only for the sake of the needs of that population.

If we consider 'education', lakhs of school buildings, chairs, benches, tables, black boards, books, pens and scientific instruments are required for it, if all the children in society are to study in schools. Thousands of the teachers will have to work to impart education. Those teachers should have homes and food material etc. Education goes on each day only when these numerous products are spent.

For the parents of the children to bear the costs of education themselves is one system and for society to bear these costs is another system.

For the expenses of education to be borne by the parents of the children themselves, implies deduction of the portion of their wages from what they produce and increase in the portion that goes into the 'social fund'. The parents themselves will pay the school fees and purchase books etc., for their children from out of their wages.

The bearing of educational expenditure by society implies a deduction in the portion of wages from what the parents produced and increase in the portion that goes to the 'social fund'. In that case, parents will not spend from their wages on school fees and purchase of books etc. The social fund will bear all those expenses. That is, both systems are the same in essence. It is the parents themselves who bear the costs of their children's education in the first procedure as well as the second procedure. In the first procedure this function is performed individually by parents and in the second, it is performed collectively by means of the

social fund constituted by the labour of parents. It is the parents alone who pay the costs of their children's education in either procedure. But this fact (the fact that parents themselves bear the costs of education) is not as obvious in the second procedure as in the first procedure. The fact becomes evident in the first procedure because parents spend directly from their wages. In the second procedure, as the parents do not directly bear the expenses but society bears, it appears as though society itself is bearing expenditure and parents have nothing to do with it. If parents cannot understand clearly what is actually taking place in the second procedure, people in that society cannot understand the connection between the 'individual' and society.

'Society' means the entire population. It is a population having a certain type of relations of production. The individual is a minimal unit of that 'whole'. One unit. **In the exploitative society, family itself is one unit. A male person is the master of that unit. Even though the 'family' continues as ever in the 'new society', it is the individual and not the family that is the real unit.** As each individual is a free individual, here an individual is the minimal unit in society. The relationship between this minimal unit and the whole society (the relationship between one separate individual and other individuals) should be clearly known to that individual and other individuals. Society will not appear as a 'remote' thing or an 'alien' thing for the individual as long as each individual is in equal labor relations with other individuals and as long as this fact is understood.

Whatever we observed in the case of children's education, we can observe the same thing in any activity undertaken by society. Although it might appear that society is bearing the expenses 'free', the whole thing is nothing but production derived from the labour of the people of that society. It is not possible for society to meet any expenditure unless some amount of product comes into 'social fund' from the labour of that population. If society spends certain products in such a way that they are distributed uniformly and if society does not take money in return, it appears as if it is meeting that expenditure freely. But in fact it is not free. The products thus spent for the benefit of those persons are indeed, products turned out by their own labour or by the labour of their parents or by the labour of their children. In other words, it is their own products that are spent for their needs. Therefore the word 'free' becomes meaningless wherever it is used.

Bearing the costs of education by the social fund will have two dimensions. On the one hand, it will be the individual concern of the parents and on the other, it will be the 'collective' concern of all the parents. It is an individual concern because it amounts to the bearing of the costs of children's education by the respective parents. However collectively the program is conducted by the society, a given couple will spend only for their own children. Seen from this angle, it becomes the individual concern of the parents.

The same thing also becomes a collective concern for the following reason. As there will be disparities in the wages of the children's parents there will be disparities in the portions contributed by those wages to the social fund. But the social fund spends uniformly (without any disparities) for all children of a particular class in society. In other words, all the parents in society together bear the costs of educating all their children. It is thus a 'collective' concern.

Thus in the new society, collectiveness emerges in every aspect of life.

If we consider the issue of 'maintenance', parents maintain their children and children in their turn maintain their aged parents. This is what takes place in any society and this duty will not change even in the new society. However the way in which this obligation is discharged will be very different in the new society.

Matters of maintenance in exploitative societies are all dependent upon individual obligations and family obligations only and so they remain within narrow bounds. When persons who are obliged to discharge their duties abandon their duties or when those persons are not alive, those who need support from those persons will become 'destitute'. There is no other way than that.

But the situation in the new society is not that. 'Responsibility of society' is a phenomenon that commences afresh here. Here the responsibility of society adds to the responsibility of individual. Here society undertakes two responsibilities: (1) it makes the individual realise his responsibilities as natural duties and discharge them and (2) it cooperates with the individual in so doing.

The children who have not reached the stage of performing labour, the aged, the sick and the physically handicapped ones are necessarily dependent on the support of others. Society, therefore, also collectively

organises all the arrangements of maintenance with the help of the social fund constituted by those who do labour. Which means, matters of maintenance in this society will be formed both at the family level and at the collective level.

In order to prevent parentless children and childless parents from becoming destitute, society here will undertake its own responsibility as well as the responsibility of those 'who are not alive'. To compensate the absence of supporters of 'destitute' does not mean running 'orphanages'. The word 'orphan' is a slur on the very nature of the new society. No person is an orphan in the society where collective life is there, as the rest of the population in the society takes up the 'responsibility' of those little ones and the old ones who do not have any person to take care of them.

Every person in society has the right to receive maintenance from it during the stages of life in which he cannot perform labour. People passing through such a stage in life should be able to receive maintenance in such a way that their self-respect is not hurt and as if they are receiving it as their right. It happens in this manner in the new society. Here maintenance will not have the restricted nature of merely depending on individuals or families, but will have a broad nature of depending upon society. The problems that arose in the earlier societies in the matter of such maintenance find natural solutions in the new society.

Unless the nature of these changes in the new society is properly grasped, the word 'responsibility' will be understood in a mechanical and wrong way. Those wrong notions will be as follows. 'In a new society parents need not bring up their children; nobody needs to maintain others; individuals need not have any responsibility; society will maintain all people and society will itself undertake all responsibilities; individuals will not be concerned with any activity or expenditure: the society will easily bear that expense; any amount of expenditure might well be shifted on to society'—such are the wrong notions. It means that society appears as an institution possessing many miracles. **If the population in a society has such wrong notions as these about the society, the society, which they themselves have to build, will be on the wrong footing.** But erroneous notions will not be formed about society when the relationship of the individual and society is clearly grasped.

The question whether the new working day will also be of 2 portions can now be understood correctly. Yes, the new working too will be of 2 portions.

When we speak of 'new society', we have to divide it in to two stages.

1) The stage in which 'wage system' still exists.

2) The stage in which 'wage system' ceased to exist.

In both these stages, the working day will consist of 2 parts.

The working day in the 1st stage consists of:

'wage + social fund'; and

The working day in the 2nd stage consists:

'products of self-maintenance + social fund.

We have to understand these things properly.

Even in the new society, every individual has to receive a part of the product of his labour and leave obligatorily the other part for the 'social fund'. Therefore, the new working day too should consist of 2 parts. **But these portions are no longer 'necessary' and 'surplus' portions as in the past. Both the portions are necessary portions. If the second portion too were not necessary, it need not be the responsibility of the individual to perform the labour of the second portion.** If he has to perform the labour of that portion, it too becomes a necessary portion for him. The labour that he performs for the sake of the education of his children, for the sake of care of his parents, for the sake of discharging his duties toward the society—the entire labour which he performs for his own sake does not become 'surplus labour' instead of being 'necessary labour'. Surplus labour means labour that a person loses. Here there won't be any such portion. Therefore, both the portions of a working day are necessary portions only.

Hence, it would now be a mistake if we call the first part alone a 'necessary portion'. Hence we may give up that word now. That is, the first part as well would lose the name 'necessary portion'. But this portion will not lose the name 'wage' as yet. It is because, the person who performs labour receives this portion only in the form of wage calculations. As long as there is 'wage system', this portion will continue to have the name 'wage' only.

But, is 'wage' the 'value of labour power' here too? Or in other words, can we call wage as the value of labour power? Yes. We can call it that.

Which means, here also a person's labour splits into the portion of the value of labour power and the portion of the social fund. That person alone spends the first portion for himself. This second portion goes into the social fund and it is spent in the collective activities undertaken by society as a portion related to that individual. In exploitative society, this second portion is entirely appropriated by the exploiting class and none of it comes back to the person that performs labour. But here even the second portion is spent on the needs of the individual and on the social obligations that he has to fulfill. Therefore, it also amounts to his getting it back. In other words, what the person who does labour receives here is not the value of the labour power but the value of labour itself. Which means, here all people get the fruits of their respective labour. But this won't come in its entirety at a time, in the same form. While a part of it comes back directly in the form of wage, the remaining part merges with the social fund and comes back through it.

Here also, it is the 'value of labour power' that forms the basis of wages, since a person's labour has to split up into wage and social fund. But the value of labour power here will not be at such a low level as given by the capitalist.

The value of labour power under capitalism will have the nature of satisfying only the minimal necessaries of life of the person who performs labour. But here the value of labour power would be at such an appropriate level where the labouring person lives comfortably and happily.

Moreover, we have seen that the needs of an individual are satisfied not only by 'wage' but also by 'the social fund'. Thus, the capitalistic nature of value of labour power and its limitations begin to change here.

Let us suppose that an individual has to satisfy daily 20 natural needs like food, clothes, residence, education, transport, health, arts and so on. Thus if we calculate only the natural needs, let us suppose that 20 needs have to be satisfied. These needs have to be satisfied only from out of the total production, which that person turns out. Some of them are satisfied by means of 'wages', while others are satisfied by means of the social fund. If 12 needs are satisfied by means of wages, 8 are to be satisfied by means of the social fund. If 6 are satisfied by means of wages, 14 are to be satisfied by means of the social fund. Thus, all his needs inside and outside the house must be satisfied.

When the obligations of children's education are to be discharged by means of wages, the portion of wages will be more and the portion that has to be left to the social fund will be less.

When the responsibility of taking care of the old people has to be discharged at home only, the portion of wages will be more and the portion of the social fund will be less.

When transport expenses have to be borne individually, the portion of the wages will be more and the portion of the social fund will be less.

The portion of wages will go on diminishing and the portion of the social fund will go on increasing as collective institutions like free schooling, free transport, free medical care, homes for the aged and collective kitchens and so on go on emerging. This would gradually lead to the abolition of the portion of wages. The material basis for the formation of these collective institutions is the change in the capitalist 'division of labour'. (We will be seeing this point in more detail in the chapter "Productive labour and unproductive labour" in the next volume).

Let us suppose that a new division of labour and value calculations replaces the capitalist division of labour and wages are abolished.

But even then production and consumption are necessary. Even then every person (all men and women) would do labour. Self-maintenance, maintenance of children and the old people in the family—all things should go on as ever. Even then there would be some needs, which pertain to the house, and some other needs which pertain to the outside. Daily consumed food, clothing and housing etc. constitute the first kind of needs! Children's schools, hospitals, buses, trains etc. constitute the second kind of needs which are collectively met outside the homes. Among the products used both at home and outside, some are used individually while some are used collectively. The products used individually by a person constitute the portion that he gets directly. All the products used collectively constitute the portion that he receives through the social fund. Thus, even now the labour of a person would be in the form of 'individual portion' as well as 'portion of the social fund'. But these calculations are not as obvious as they are under wage system.

Will there be surplus labour in a new working day?—is another question.

If a labouring person renders more labour than what he consumes, it is surplus labour in that sense. But if that surplus too is used to satisfy

the needs of that person (if it does not go to others), it won't be surplus in that sense.

Even in the new society, the working day would consist of 2 parts both when there is surplus labor and when there is not.

Here we have to understand one point.

Only in the matter of a working day splitting into 2 portions, there is a possibility of the second portion getting alienated from the individual. There is also the possibility of that individual playing a real part and not playing it in the matter of spending that portion. Thus situation again gives rise to a conflict. We will see all these things in greater detail in another context.

Questions :

1. What is meant by 'working day'? '1 day' and '1 working day'—are these identical?
2. Why does a working day consist of 2 portions?
3. What is meant by 'shift system'?
4. Have you ever heard the proverb, 'sleep during daytime is destructive of work and work at night is destructive of sleep'? Is this proverb nice?
5. Do you work in shifts? Even if you do not work in shifts yourself, you might be having friends who work so. Write about some problems and experiences relating to the shift system.
6. When lorry workers stop their vehicle along a roadside for some rest in the night shift and lay themselves down on bare earth for sleep, where does the lorry capitalist sleep at that time?
7. If 3 shifts' work is done in a single shift, will there be a reduction in the number of jobs? Will the production decrease? Why is it so if there is such a fall? Why is it so if there is no such fall? Explain.
8. What are the sectors in which 'night work' can be immediately abolished? What are the sectors where it can never be abolished?
9. What factors are responsible for 'productivity'?
10. Which of the following two is higher? —Absolute productivity or Relative productivity? When will the Relative productivity transform into Absolute productivity?

11. What does 'intensity of labour' mean? When can we say that intensity of labour has increased? Give 2 examples.
12. 60 articles were produced in the time when normally 50 articles are produced. What is the percentage of the rise in intensity of labour?
13. Do the wages rise or not when a new productivity replaces the old productivity in a work place? Why?
14. There is 50% rise in the productivity because of the improvements in the instruments of labour, but there is a 10% fall in the intensity of labour and 5% shortening of the working day. Does productivity increase or decrease in these new conditions? If so, to what percentage?
15. There are 2 work places where the same sort of commodity is produced. Working day is the same. There are 20 workers at one work place. Their production is 120 articles in 1 week. There are 35 workers in the 2nd place. Their production is 30 articles a day. Which work place has more productivity?
16. Is the system of paying your wages, time wage or piece wage? Are there any more differences in these systems at your work place? Which of these two do you like? Why?
17. Let us suppose that as per piece wage, 10 articles are produced in a working day. The rate for making 1 article is Re.1. A worker makes 15 articles in 1 working day. Has the piece rate increased?
18. A country constantly achieves 'industrial progress'. Compared to 1940, its productivity in 1960 has increased manifold. Its productivity has again increased manifold in 1985, compared to 1960. But why are the workers always engaged in full work? Why doesn't a working day become shortened?
19. Will the growth in the productivity in the society cease when capitalism is abolished?
20. Keep the new society in view. Should not the working day disappear altogether in course of time?
21. Special for artists:
    A meeting in which workers are the audience. There is a speaker on the platform. He is upside down and giving a speech. There is a caption below the platform—"Capitalist Economist!"

[This "Introduction" has two more volumes : 2 and 3.]

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